
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2009

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-9321

**UNIVERSAL HEALTH REALTY INCOME
TRUST**

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of
incorporation or organization)

23-6858580
(I. R. S. Employer
Identification No.)

**UNIVERSAL CORPORATE CENTER
367 SOUTH GULPH ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (610) 265-0688

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated Filer ☒

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

Number of common shares of beneficial interest outstanding at October 31, 2009 – 11,901,119

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Part I. Financial Information
Universal Health Realty Income Trust
Condensed Consolidated Statements of Income
For the Three and Nine Months Ended September 30, 2009 and 2008
(amounts in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenues:				
Base rental - UHS facilities	\$ 3,640	\$ 3,347	\$10,737	\$ 9,505
Base rental - Non-related parties	2,566	2,559	7,720	7,399
Bonus rental - UHS facilities	1,022	898	3,167	2,969
Tenant reimbursements and other - Non-related parties	639	584	2,064	1,669
Tenant reimbursements and other - UHS facilities	57	38	139	100
	<u>7,924</u>	<u>7,426</u>	<u>23,827</u>	<u>21,642</u>
Expenses:				
Depreciation and amortization	1,623	1,517	4,747	4,372
Advisory fees to UHS	412	408	1,191	1,151
Other operating expenses	1,468	1,211	4,510	3,516
	<u>3,503</u>	<u>3,136</u>	<u>10,448</u>	<u>9,039</u>
Income before equity in income of unconsolidated limited liability companies ("LLCs") and interest expense	4,421	4,290	13,379	12,603
Equity in income of unconsolidated LLCs	750	567	2,516	1,608
Interest expense, net	(600)	(651)	(1,876)	(1,688)
Net income	<u>\$ 4,571</u>	<u>\$ 4,206</u>	<u>\$14,019</u>	<u>\$12,523</u>
Basic earnings per share	<u>\$ 0.38</u>	<u>\$ 0.35</u>	<u>\$ 1.18</u>	<u>\$ 1.06</u>
Diluted earnings per share	<u>\$ 0.38</u>	<u>\$ 0.35</u>	<u>\$ 1.18</u>	<u>\$ 1.05</u>
Weighted average number of shares outstanding - Basic	11,884	11,855	11,873	11,849
Weighted average number of share equivalents	4	37	7	37
Weighted average number of shares and equivalents outstanding - Diluted	<u>11,888</u>	<u>11,892</u>	<u>11,880</u>	<u>11,886</u>

See accompanying notes to condensed consolidated financial statements.

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Universal Health Realty Income Trust
Condensed Consolidated Balance Sheets
(dollar amounts in thousands, except share amounts)
(unaudited)

	September 30, 2009	December 31, 2008
Assets:		
Real Estate Investments:		
Buildings and improvements	\$ 206,578	\$ 191,761
Accumulated depreciation	(70,829)	(66,255)
	135,749	125,506
Land	19,348	19,348
Construction in progress	—	9,795
Net Real Estate Investments	155,097	154,649
Investments in and advances to limited liability companies (“LLCs”)	60,311	56,462
Other Assets:		
Cash and cash equivalents	1,818	618
Base and bonus rent receivable from UHS	2,030	1,982
Rent receivable - other	741	945
Deferred charges, notes receivable and intangible and other assets, net	6,250	6,400
Total Assets	<u>\$ 226,247</u>	<u>\$ 221,056</u>
Liabilities:		
Line of credit borrowings	\$ 50,200	\$ 39,000
Mortgage notes payable, non-recourse to us	6,732	6,892
Mortgage, construction and other loans payable of consolidated LLCs, non-recourse to us	27,497	25,800
Accrued interest	154	190
Accrued expenses and other liabilities	2,573	3,196
Tenant reserves, escrows, deposits and prepaid rents	782	883
Total Liabilities	87,938	75,961
Equity:		
Preferred shares of beneficial interest, \$.01 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Common shares, \$.01 par value; 95,000,000 shares authorized; issued and outstanding: 2009 - 11,899,849 2008 - -11,865,919	119	119
Capital in excess of par value	189,652	189,347
Cumulative net income	352,737	338,718
Cumulative dividends	(404,414)	(383,256)
Total Universal Health Realty Income Trust Shareholders' Equity	138,094	144,928
Third-party equity interests	215	167
Total Equity	138,309	145,095
Total Liabilities and Equity	<u>\$ 226,247</u>	<u>\$ 221,056</u>

See accompanying notes to condensed consolidated financial statements.

Universal Health Realty Income Trust
Condensed Consolidated Statements of Cash Flows
(amounts in thousands)
(unaudited)

	Nine months ended September 30,	
	2009	2008
Cash flows from operating activities:		
Net income	\$ 14,019	\$ 12,523
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
Depreciation and amortization	4,747	4,372
<i>Changes in assets and liabilities:</i>		
Rent receivable	156	(942)
Accrued expenses and other liabilities	26	302
Tenant reserves, escrows, deposits and prepaid rents	(101)	179
Accrued interest	(36)	18
Other, net	231	235
Net cash provided by operating activities	19,042	16,687
Cash flows from investing activities:		
Investments in LLCs	(8,188)	(6,276)
Repayments of advances made to LLCs	680	43
Advances made to LLCs	(2,142)	(1,600)
Cash distributions in excess of income from LLCs	3,020	2,277
Cash distributions of refinancing proceeds from LLCs	2,789	2,542
Advances made to third-party partners	—	(3,960)
Acquisition of real property	—	(4,714)
Additions to real estate investments	(5,838)	(3,320)
Net cash used in investing activities	(9,679)	(15,008)
Cash flows from financing activities:		
Net borrowings on line of credit	11,200	18,900
Net borrowings from third-party partner	—	65
Net borrowings from mortgage, construction and other loans payable of consolidated LLCs	1,697	212
Repayments of mortgage notes payable	(160)	(139)
Dividends paid	(21,158)	(20,741)
Dividend equivalent rights paid	(213)	—
Issuance of shares of beneficial interest	471	422
Net cash used in financing activities	(8,163)	(1,281)
Increase in cash and cash equivalents	1,200	398
Cash and cash equivalents, beginning of period	618	1,131
Cash and cash equivalents, end of period	\$ 1,818	\$ 1,529
Supplemental disclosures of cash flow information:		
Interest paid	\$ 1,853	\$ 1,651
Debt assumed in acquisition of real estate	\$ —	\$ 3,364

See accompanying notes to condensed consolidated financial statements.

UNIVERSAL HEALTH REALTY INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2009
(unaudited)

(1) General

This Report on Form 10-Q is for the Quarterly Period ended September 30, 2009. In this Quarterly Report, “we,” “us,” “our” and the “Trust” refer to Universal Health Realty Income Trust.

You should carefully review all of the information contained in this Quarterly Report, and should particularly consider any risk factors that we set forth in this Quarterly Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission (the “SEC”). In this Quarterly Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify those so-called “forward-looking statements” by words such as “may,” “will,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “appears,” “projects” and similar expressions, as well as statements in future tense. You should be aware that those statements are only our predictions. Actual events or results may differ materially. In evaluating those statements, you should specifically consider various factors, including the risks outlined in Item 2- Management’s Discussion and Analysis of Financial Condition and Results of Operations, under Forward Looking Statements and Certain Risk Factors as disclosed in this Quarterly Report on Form 10-Q for the period ended September 30, 2009 and as outlined in Item 1A-Risk Factors as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2008. Those factors may cause our actual results to differ materially from any of our forward-looking statements.

Our future results of operations could be unfavorably impacted by continued deterioration in general economic conditions which could result in increases in the number of people unemployed and/or uninsured. Should that occur, it may result in decreased occupancy rates at our medical office buildings as well as a reduction in the revenues earned by the operators of our hospital facilities which would unfavorably impact our future bonus rentals (on the UHS hospital facilities) and may potentially have a negative impact on the future lease renewal terms and the underlying value of the hospital properties. Additionally, the general real estate market has been unfavorably impacted by the deterioration in economic and credit market conditions which may adversely impact the underlying value of our properties. The ongoing tightening in the credit markets and the instability in the banking and financial institutions has not had a material impact on us. However, there can be no assurance that continued deterioration in credit market conditions will not have a material unfavorable impact on our ability to finance our future growth through borrowed funds.

In this Quarterly Report on Form 10-Q, the term “revenues” does not include the revenues of the unconsolidated limited liability companies (“LLCs”) in which we have various non-controlling equity interests ranging from 33% to 99%. We currently account for our share of the income/loss from these investments by the equity method (see Note 5). As of September 30, 2009, we had investments or commitments in thirty-one LLCs, twenty-eight of which are or will be accounted for by the equity method and three that are currently consolidated in our financial statements.

The financial statements included herein have been prepared by us, without audit, pursuant to the rules and regulations of the SEC and reflect all normal and recurring adjustments which, in our opinion, are necessary to fairly present results for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although we believe that the accompanying disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the financial statements, accounting policies and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2008. Certain prior year amounts have been reclassified to conform with current year financial statement presentation.

(2) Relationship with Universal Health Services, Inc. (“UHS”) and Related Party Transactions

Leases: We commenced operations in 1986 by purchasing the real property of certain subsidiaries from UHS and immediately leasing the properties back to the respective subsidiaries. Most of the leases were entered into at the time we commenced operations and provided for initial terms of 13 to 15 years with up to six additional 5-year renewal terms, with base rents set forth in the leases effective for all but the last two renewal terms. The base rents are paid monthly and each lease also provides for additional or bonus rents which are computed and paid on a quarterly basis based upon a computation that compares current quarter revenue to a corresponding quarter in the base year. The leases with subsidiaries of UHS are unconditionally guaranteed by UHS and are cross-defaulted with one another.

The combined revenues generated from the leases on the UHS hospital facilities accounted for approximately 51% and 53% of our total revenue for the three months ended September 30, 2009 and 2008, respectively, and 51% and 56% for the nine months ended September 30, 2009 and 2008, respectively. Including 100% of the revenues generated at the unconsolidated LLCs in which we have various non-controlling equity interests ranging from 33% to 99%, the leases on the UHS hospital facilities accounted for approximately 20% of the combined consolidated and unconsolidated revenue for both of the three month periods ended September 30, 2009 and 2008, and 20% and 21% for the nine months ended September 30, 2009 and 2008, respectively. In addition, eleven medical office buildings (“MOBs”), plus one additional MOB currently under construction, owned by a LLC in which we hold various non-controlling equity interests, include or will include tenants which are subsidiaries of UHS.

Pursuant to the Master Lease Document by and among us and certain subsidiaries of UHS, dated December 24, 1986 (the “Master Lease”), which governs the leases of all hospital properties with subsidiaries of UHS, UHS has the option to renew the leases at the lease terms described below by providing notice to us at least 90 days prior to the termination of the then current term. In addition, UHS has rights of first refusal to: (i) purchase the respective leased facilities during and for 180 days after the lease terms at the same price, terms and conditions of any third-party offer, or; (ii) renew the lease on the respective leased facility at the end of, and for 180 days after, the lease term at the same terms and conditions pursuant to any third-party offer. UHS also has the right to purchase the respective leased facilities at the end of the lease terms or any renewal terms at the appraised fair market value. In addition, during 2006, as part of the overall asset exchange and substitution proposal relating to Chalmette Medical Center (“Chalmette”), as well as the early five year lease renewals on Southwest Healthcare System-Inland Valley Campus (“Inland Valley”), Wellington

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Regional Medical Center (“Wellington”), McAllen Medical Center (“McAllen”) and The Bridgeway (“Bridgeway”), we agreed to amend the Master Lease to include a change of control provision. The change of control provision grants UHS the right, upon one month’s notice should a change of control of the Trust occur, to purchase any or all of the four leased hospital properties at their appraised fair market value.

The table below details the renewal options and terms for each of the four UHS hospital facilities:

<u>Hospital Name</u>	<u>Type of Facility</u>	<u>Annual Minimum Rent</u>	<u>End of Lease Term</u>	<u>Renewal Term (years)</u>
McAllen Medical Center	Acute Care	\$5,485,000	December, 2011	20(a)
Wellington Regional Medical Center	Acute Care	\$3,030,000	December, 2011	20(b)
Southwest Healthcare System, Inland Valley Campus	Acute Care	\$2,648,000	December, 2011	20(b)
The Bridgeway	Behavioral Health	\$ 930,000	December, 2014	10(c)

- (a) UHS has four 5-year renewal options at existing lease rates (through 2031).
- (b) UHS has two 5-year renewal options at existing lease rates (through 2021) and two 5-year renewal options at fair market value lease rates (2022 through 2031).
- (c) UHS has two 5-year renewal options at fair market value lease rates (2015 through 2024).

We are committed to invest up to a total of \$8.6 million in equity and debt financing, of which \$4.6 million has been funded as of September 30, 2009, in exchange for a 95% non-controlling equity interest in an LLC (Palmdale Medical Properties) that constructed, owns, and operates the Palmdale Medical Plaza, located in Palmdale, California, on the campus of a UHS hospital. This MOB has a triple net, 75% master lease commitment by UHS of Palmdale, Inc., a wholly-owned subsidiary of UHS, pursuant to the terms of which the master lease for each suite will be cancelled at such time that the suite is leased to another tenant acceptable to the LLC and UHS of Palmdale, Inc. This MOB, tenants of which will include subsidiaries of UHS, was completed and opened during the third quarter of 2008 at which time the master lease commenced. Based upon the executed leases and letter of intent commitments in place as of September 30, 2009, the master lease threshold of 75% has not been met. The LLC has a third-party term loan commitment of \$7.2 million, which is non-recourse to us, of which \$7.2 million has been borrowed as of September 30, 2009. This LLC, which is deemed to be a variable interest entity, is consolidated in our financial statements as of September 30, 2009 since we are the primary beneficiary.

We are committed to invest up to \$5.4 million in debt or equity, of which \$238,000 has been funded as of September 30, 2009, in exchange for a 95% non-controlling equity interest in an LLC (Banbury Medical Properties) that developed, constructed, owns and operates the Summerlin Medical Office Building III, located in Las Vegas, Nevada, on the campus of a UHS hospital. Summerlin Hospital Medical Center (“Summerlin Hospital”), a majority-owned subsidiary of UHS, has committed to lease approximately 25% of this building pursuant to the terms of a 10-year flex lease. In addition, Summerlin Hospital has committed to a 50% master lease on the remaining 75% of the building (representing 37.5% of the building) pursuant to the terms of which the master lease for each suite will be cancelled at such time that the suite is leased to another tenant acceptable to the LLC and Summerlin Hospital. This MOB, tenants of which will include subsidiaries of UHS, was completed and opened during the first quarter of 2009 at which time the master lease commenced. Based upon the executed leases and letter of intent commitments in place as of September 30, 2009, the master lease threshold has not been met. The LLC has a third-party construction loan commitment of \$14.4 million, which is non-recourse to us, of which \$12.1 million has been borrowed as of September 30, 2009. This LLC, which is deemed to be a variable interest entity, is consolidated in our financial statements as of September 30, 2009 since we are the primary beneficiary.

We are committed to invest up to a total of \$4.8 million in equity and debt financing, of which \$24,000 has been funded as of September 30, 2009, in exchange for a 95% non-controlling equity interest in an LLC (Texoma Medical Properties) that will develop construct, own and operate the Texoma Medical Plaza located in Denison, Texas, on the campus of a replacement UHS acute care hospital. Texoma Medical Center (“Texoma Hospital”), a wholly-owned subsidiary of UHS, has committed to lease 75% of this building, pursuant to which the master lease for each suite will be cancelled at such time that the suite is leased to another tenant acceptable to the LLC and Texoma Hospital. This MOB, tenants of which will include subsidiaries of UHS, is scheduled to be completed and opened in late 2009 or early 2010, at which time the master lease will commence. This LLC has a third-party construction loan commitment of \$13.3 million, which is non-recourse to us, of which \$2.7 million has been borrowed as of September 30, 2009. As this LLC is not considered to be a variable interest entity, it is accounted for under the equity method.

We are committed to invest up to a total of \$4.7 million in equity and debt financing, of which \$1.1 million has been funded as of September 30, 2009, in exchange for a 95% non-controlling equity interest in an LLC (Auburn Medical Properties) that developed constructed, owns and operates the Auburn Medical Office Building II, located in Auburn, Washington, on the campus of a UHS hospital. Auburn Regional Medical Center (“Auburn Hospital”), a wholly-owned subsidiary of UHS, has committed to lease 75% of this building, pursuant to which the master lease for each suite will be cancelled at such time that the suite is leased to another tenant acceptable to the LLC and Auburn Hospital. The master lease threshold on this MOB has been met. This MOB, tenants of which include subsidiaries of UHS, was completed and opened in September, 2009. This LLC has a third-party construction loan commitment of \$8.4 million, which is non-recourse to us, of which \$7.4 million has been borrowed as of September 30, 2009. As this LLC is not considered to be a variable interest entity, it is accounted for under the equity method.

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UHS Other Matters: UHS, together with its South Texas Health System affiliates, which operate McAllen Medical Center, were served with a subpoena dated November 21, 2005, issued by the Office of Inspector General of the Department of Health and Human Services (“OIG”). At that time, the Civil Division of the U.S. Attorney’s office in Houston, Texas indicated that the subpoena was part of an investigation under the False Claims Act regarding compliance with Medicare and Medicaid rules and regulations pertaining to the payments to physicians and the solicitation of patient referrals from physicians from January 1, 1999 to the date of the subpoena, related to the South Texas Health System. On February 16, 2007, UHS’s South Texas Health System affiliates were served with a search warrant in connection with what UHS had been advised was a related criminal Grand Jury investigation concerning the production of documents. At that time, the government obtained various documents and other property related to the facilities. Follow-up Grand Jury subpoenas for documents and witnesses and other requests for information were subsequently served on South Texas Health System facilities and certain UHS employees and former employees.

UHS has advised us that they have received notification from the U.S. Department of Justice (“DOJ”) that, at this time, the DOJ will not be pursuing criminal prosecutive action against UHS or its South Texas Health System affiliates. The DOJ is still investigating whether or not any individuals independently obstructed justice as it relates to the civil subpoena dated November 21, 2005. The Civil Division of the U.S. Attorney’s office in Houston, Texas continued its investigation focused on certain arrangements entered into by the South Texas Health System affiliates which, the government believed, may have violated Medicare and Medicaid rules and regulations pertaining to payments to physicians and the solicitation of patient referrals from physicians and other matters relating to payments to various individuals which may have constituted improper payments. UHS cooperated with the investigations and has reached an agreement to resolve the matter. UHS has agreed to make a payment in the amount of \$27.5 million, which was paid in October, 2009, and has entered into a corporate integrity agreement with respect to the South Texas Health Systems facilities. During 2008, UHS recorded a pre-tax charge of \$25 million to establish a reserve in connection with this matter and they reserved an additional \$3 million during 2009. Also during 2009, UHS recorded a \$4.3 million unfavorable discrete tax item to reflect the estimated nondeductible portion of the amount reserved. UHS does not expect to incur additional material charges with respect to this matter.

UHS has advised us that, during the third quarter of 2009, Southwest Healthcare System (“SWHCS”), a wholly-owned subsidiary of UHS which operates Rancho Springs Medical Center (the real property of which is not owned by us) and Inland Valley Regional Medical Center (“Inland Valley” the real property of which is owned by us) in Riverside County, California, entered into an agreement with the Center for Medicare and Medicaid Services (“CMS”). The agreement required SWHCS to engage an independent quality monitor to assist SWHCS in meeting all CMS’ conditions of participation. Further, the agreement provides that between the approximate dates of November 15, 2009 and January 15, 2010, CMS will conduct a full Medicare certification survey. While UHS has advised us that it believes that SWHCS has complied with all obligations under the agreement, there can be no assurance as to the outcome of such a survey or that the outcome would not have a material adverse effect on UHS. While the base rentals on Inland Valley are guaranteed by UHS through the end of the existing lease term (December, 2011), should this matter adversely impact the future revenues and/or operating results of SWHCS, the future bonus rental earned by us on Inland Valley, and the underlying value of the property, may be materially adversely impacted. Bonus rental revenue earned by us from Inland Valley amount to \$826,000 during the nine months ended September 30, 2009 and \$1.0 million during the twelve months ended December 31, 2008.

Advisory Agreement: UHS of Delaware, Inc. (the “Advisor”), a wholly-owned subsidiary of UHS, serves as Advisor to us under an Advisory Agreement (the “Advisory Agreement”) dated December 24, 1986. Under the Advisory Agreement, the Advisor is obligated to present an investment program to us, to use its best efforts to obtain investments suitable for such program (although it is not obligated to present any particular investment opportunity to us), to provide administrative services to us and to conduct our day-to-day affairs. In performing its services under the Advisory Agreement, the Advisor may utilize independent professional services, including accounting, legal, tax and other services, for which the Advisor is reimbursed directly by us. The Advisory Agreement expires on December 31 of each year; however, it is renewable by us, subject to a determination by the Trustees who are unaffiliated with UHS (the “Independent Trustees”), that the Advisor’s performance has been satisfactory. The Advisory Agreement may be terminated for any reason upon sixty days written notice by us or the Advisor. The Advisory Agreement has been renewed for 2009. All transactions between us and UHS must be approved by the Independent Trustees.

The Advisory Agreement provides that the Advisor is entitled to receive an annual advisory fee equal to 0.60% of our average invested real estate assets, as derived from our consolidated balance sheet. The average real estate assets for advisory fee calculation purposes exclude certain items from our consolidated balance sheet such as, among other things, accumulated depreciation, cash and cash equivalents, base and bonus rent receivables, deferred charges and other assets. The advisory fee is payable quarterly, subject to adjustment at year-end based upon our audited financial statements. In addition, the Advisor is entitled to an annual incentive fee equal to 20% of the amount by which cash available for distribution to shareholders for each year, as defined in the Advisory Agreement, exceeds 15% of our equity as shown on our consolidated balance sheet, determined in accordance with generally accepted accounting principles without reduction for return of capital dividends. The Advisory Agreement defines cash available for distribution to shareholders as net cash flow from operations less deductions for, among other things, amounts required to discharge our debt and liabilities and reserves for replacement and capital improvements to our properties and investments. Advisory fees incurred and paid (or payable) to UHS amounted to \$412,000 and \$408,000 for the three months ended September 30, 2009 and 2008, respectively, and \$1.2 million for each of the nine month periods ended September 30, 2009 and 2008. No incentive fees were paid or payable during the nine-month period of either year since the incentive fee requirements were not achieved. The advisory fees for the nine-month periods ended September 30, 2009 and 2008 were based upon average invested real estate assets of \$264.7 million and \$261.2 million, respectively.

Officers and Employees: Our officers are all employees of UHS and although as of September 30, 2009 we had no salaried employees, our officers do receive stock-based compensation from time-to-time.

Share Ownership: As of September 30, 2009, UHS owned 6.6% of our outstanding shares of beneficial interest.

SEC reporting requirements of UHS: UHS is subject to the reporting requirements of the SEC and is required to file annual reports containing audited financial information and quarterly reports containing unaudited financial information. Since the leases on the hospital facilities leased to wholly-owned subsidiaries of UHS comprised approximately 51% and 53% of our consolidated revenues for the three months ended September 30, 2009 and 2008, respectively, and 51% and 56% for the nine months ended September 30, 2009 and 2008, respectively, and since a subsidiary of UHS is our Advisor, you are encouraged to obtain the publicly

available filings for UHS, Inc. from the SEC's website at www.sec.gov. These filings are the sole responsibility of UHS and are not incorporated by reference herein.

(3) Dividends

A dividend of \$.590 per share or \$7.0 million in the aggregate was declared by the Board of Trustees on March 3, 2009 and was paid on March 31, 2009 to shareholders of record as of March 17, 2009.

A dividend of \$.595 per share or \$7.1 million in the aggregate was declared by the Board of Trustees on June 4, 2009 and was paid on June 30, 2009 to shareholders of record as of June 16, 2009.

A dividend of \$.595 per share or \$7.1 million in the aggregate was declared by the Board of Trustees on September 3, 2009 and was paid on September 30, 2009 to shareholders of record as of September 16, 2009.

(4) Acquisitions and Dispositions

Nine Months Ended September 30, 2009:

There were no acquisitions or dispositions during the first nine months of 2009.

Nine Months Ended September 30, 2008:

During the third quarter of 2008, we invested \$2.3 million for a 95% non-controlling ownership interest in an LLC (Sparks Medical Properties) that purchased the Vista Medical Terrace and The Sparks Medical Building located in Sparks, Nevada. Both of these MOBs are located on the campus of Northern Nevada Medical Center, an acute care hospital owned and operated by a wholly-owned subsidiary of UHS. This LLC is not a variable interest entity and therefore is not subject to consolidation.

In February, 2008, we purchased Kindred Hospital, Corpus Christi, an unaffiliated long-term sub-acute care hospital located in Corpus Christi, Texas for a total purchase price of \$8.1 million. We paid \$4.7 million in cash and assumed \$3.4 million of third-party mortgage debt that is non-recourse to us. The lease payments on this facility are unconditionally guaranteed by Kindred Healthcare, Inc. until its scheduled expiration in June, 2019. The proforma effect of this acquisition did not have a material impact on our results of operations. The purchase price of this property was allocated to net tangible and identified intangible assets acquired based on fair value indications. Intangible assets include amounts representing the value of the tenant relationship and the in-place lease at the time of acquisition.

There were no dispositions during the first nine months of 2008.

(5) Summarized Financial Information of Equity Affiliates

Our consolidated financial statements include the consolidated accounts of our controlled investments and those investments that meet the criteria of a variable interest entity where we are the primary beneficiary. In accordance with the FASB's standards and guidance relating to accounting for investments and real estate ventures, we account for our unconsolidated investments in LLCs which we do not control using the equity method of accounting. The third-party members in these investments have equal voting rights with regards to issues such as, but not limited to: (i) divestiture of property; (ii) annual budget approval, and; (iii) financing commitments. These investments, which represent 33% to 99% non-controlling ownership interests, are recorded initially at our cost and subsequently adjusted for our net equity in the net income, cash contributions to, and distributions from, the investments. Pursuant to certain agreements, allocations of profits and losses of some of the LLC investments may be allocated disproportionately as compared to ownership interests after specified preferred return rate thresholds have been satisfied.

At September 30, 2009, we have non-controlling equity investments or commitments in thirty-one LLCs which own medical office buildings ("MOBs"). As of September 30, 2009, we accounted for: (i) twenty-eight of these LLCs on an unconsolidated basis pursuant to the equity method since they are not variable interest entities, and; (ii) three of these LLCs on a consolidated basis, as discussed below, since they are considered to be variable interest entities where we are the primary beneficiary by virtue of their master lease, lease assurance or lease guarantee arrangements with subsidiaries of Universal Health Services, Inc. ("UHS"), a related-party to us.

The majority of these LLCs are joint-ventures between us and a non-related party that manages and holds minority ownership interests in the entities. Each LLC is generally self-sustained from a cash flow perspective and generates sufficient cash flow to meet its operating cash flow requirements and service the third-party debt (if applicable) that is non-recourse to us. Although there is typically no ongoing financial support required from us to these entities since they are cash-flow sufficient, we may, from time to time, provide funding for certain purposes such as, but not limited to, significant capital expenditures and/or leasehold improvements. Although we are not obligated to do so, if approved by us at our sole discretion, additional cash fundings are typically advanced as equity or short to intermediate term loans.

Three of these LLCs have master lease, lease assurance or lease guarantee arrangements with subsidiaries of UHS. Additionally, UHS of Delaware, a wholly-owned subsidiary of UHS, serves as advisor to us under the terms of an advisory agreement and manages our day-to-day affairs. All of our officers are officers or employees of UHS. As a result of our related-party

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relationship with UHS and the master lease, lease assurance or lease guarantee arrangements with subsidiaries of UHS, we account for these LLCs on a consolidated basis since they are variable interest entities and we are deemed to be the primary beneficiary.

The three LLCs that we account for on a consolidated basis are as follows:

LLC	Non-controlling Ownership Interest	Date of Consolidation
653 Town Center Phase II	98%	First quarter of 2004
Palmdale Medical Properties	95%	Fourth quarter of 2007 (a)
Banbury Medical Properties	95%	Fourth quarter of 2008 (b)

(a) Newly constructed facility that was completed and opened during the third quarter of 2008.

(b) Newly constructed facility that was completed and opened during the first quarter of 2009.

Below are the combined balance sheets (unaudited) for the three above-mentioned LLCs, as included in our consolidated balance sheets:

	September 30, 2009	December 31, 2008
	(in thousands)	
Net property, including CIP (a.)	\$ 36,211	\$ 33,275
Other assets	1,161	650
Total assets	\$ 37,372	\$ 33,925
Liabilities	\$ 911	\$ 1,435
Mortgage notes payable, non-recourse to us	27,497	25,800
Equity	8,964	6,690
Total liabilities and equity	\$ 37,372	\$ 33,925

(a.) Used as collateral for outstanding mortgage notes payable.

Rental income is recorded by our consolidated and unconsolidated MOBs relating to leases in excess of one year in length using the straight-line method under which contractual rents are recognized evenly over the lease term regardless of when payments are due. The amount of rental revenue resulting from straight-line rent adjustments is dependent on many factors, including the nature and amount of any rental concessions granted to new tenants, scheduled rent increases under existing leases, as well as the acquisition and sales of properties that have existing in-place leases with terms in excess of one year. As a result, the straight-line adjustments to rental revenue may vary from period-to-period.

The following tables represent summarized financial and other information related to the twenty-eight LLCs which were accounted for under the equity method:

Name of LLC	Ownership	Property Owned by LLC
DSMB Properties	76%	Desert Samaritan Hospital MOBs
DVMC Properties (a.)	90%	Desert Valley Medical Center
Suburban Properties	33%	Suburban Medical Plaza II
Litchvan Investments	89%	Papago Medical Park
Paseo Medical Properties II	75%	Thunderbird Paseo Medical Plaza I & II
Willettta Medical Properties (a.)	90%	Edwards Medical Plaza
Santa Fe Scottsdale (a.)	90%	Santa Fe Professional Plaza
575 Hardy Investors (a.)	90%	Centinela Medical Building Complex
Brunswick Associates	74%	Mid Coast Hospital MOB
Deerval Properties (g.)	90%	Deer Valley Medical Office II
PCH Medical Properties	85%	Rosenberg Children's Medical Plaza
Gold Shadow Properties (b.)	98%	700 Shadow Lane & Goldring MOBs
Arlington Medical Properties (c.)	75%	Saint Mary's Professional Office Building
ApaMed Properties	85%	Apache Junction Medical Plaza
Spring Valley Medical Properties (b.)	95%	Spring Valley Medical Office Building
Sierra Medical Properties	95%	Sierra San Antonio Medical Plaza

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Name of LLC	Ownership	Property Owned by LLC
Spring Valley Medical Properties II (b.)(d.)	95%	Spring Valley Hospital Medical Office Building II
PCH Southern Properties	95%	Phoenix Children's East Valley Care Center
Centennial Medical Properties (b.)(e.)	95%	Centennial Hills Medical Office Building I
Canyon Healthcare Properties	95%	Canyon Springs Medical Plaza
653 Town Center Investments (b.)	95%	Summerlin Hospital Medical Office Building
DesMed (b.)	99%	Desert Springs Medical Plaza
Deerval Properties II (f.)(g.)	95%	Deer Valley Medical Office Building III
Cobre Properties	95%	Cobre Valley Medical Plaza
Sparks Medical Properties (b.)(h.)	95%	Vista Medical Terrace & The Sparks Medical Building
Auburn Medical Properties II (b.)(i.)	95%	Auburn Medical Office Building II
Texoma Medical Properties (b.)(j.)	95%	Texoma Medical Plaza
BRB/E Building One (k.)	95%	BRB Medical Office Building

- (a.) The membership interests of this entity are held by a master LLC in which we hold a 90% non-controlling ownership interest.
- (b.) Tenants of these medical office buildings include or will include subsidiaries of UHS.
- (c.) We have committed to invest a total of \$6.3 million in equity, of which \$5.2 million has been funded as of September 30, 2009. As of September 30, 2009, the LLC has a \$26.9 million mortgage from a third party, which is non-recourse to us.
- (d.) We have committed to invest a total of up to \$12.0 million in equity and debt financing, of which \$11.5 million has been funded as of September 30, 2009.
- (e.) We have committed to invest up to \$7.5 million in equity and debt financing, \$2.7 million of which has been funded as of September 30, 2009. The LLC has a \$15.7 million construction loan commitment from a third-party, which is non-recourse to us, of which \$15.1 million has been borrowed as of September 30, 2009.
- (f.) We have committed to invest up to \$5.0 million in equity and debt financing, of which \$4.0 million has been funded as of September 30, 2009. The LLC has a \$13.6 million construction loan commitment with a third-party, which is non-recourse to us, of which \$13.0 million has been borrowed as of September 30, 2009. This project was completed and opened during the second quarter of 2009.
- (g.) Deerval Parking Company, LLC, which owns the real property of a parking garage located near Deer Valley Medical Office Buildings II and III, is 50% owned by each of Deerval Properties and Deerval Properties II.
- (h.) We have committed to invest up to \$4.8 million in equity and debt financing, of which \$3.0 million has been funded as of September 30, 2009. These MOBs, which are on the campus of a UHS hospital, were acquired by the LLC during the third quarter of 2008.
- (i.) We have committed to invest up to \$4.7 million in equity and debt financing, \$1.1 million of which has been funded as of September 30, 2009. This building, which is on the campus of a UHS hospital and will have tenants that will include subsidiaries of UHS, was completed and opened during September of 2009. This LLC has a third-party construction loan commitment of \$8.4 million, which is non-recourse to us, of which \$7.4 million has been borrowed as of September 30, 2009.
- (j.) We have committed to invest up to \$4.8 million in equity and debt financing, \$24,000 of which has been funded as of September 30, 2009. This building, which is on the campus of a replacement UHS hospital and will have tenants that will include subsidiaries of UHS, is scheduled to be completed and opened late 2009 or early 2010. This LLC has a third-party construction loan commitment of \$13.3 million, which is non-recourse to us, of which \$2.7 million has been borrowed as of September 30, 2009.
- (k.) We have committed to invest up to \$2.9 million in equity and debt financing, none of which has been funded as of September 30, 2009, in an LLC that will develop, construct, own and operate this MOB which is scheduled to be completed and opened during the third quarter of 2010. Subsequent to September 30, 2009, this LLC obtained a third-party construction loan commitment of \$6.2 million, which is non-recourse to us, none of which has been borrowed as of September 30, 2009.

Below are the combined statements of income (unaudited) for the twenty-eight LLCs accounted for under the equity method:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	(amounts in thousands)			
Revenues	\$ 12,648	\$ 11,759	\$ 37,289	\$ 34,487
Operating expenses	5,556	5,279	16,480	15,697
Depreciation and amortization	2,651	2,357	7,702	6,929
Interest, net	3,720	3,577	10,953	10,566
Net income	\$ 721	\$ 546	\$ 2,154	\$ 1,295
Our share of net income	\$ 750	\$ 567	\$ 2,516	\$ 1,608

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- (a.) Our share of net income for the three months ended September 30, 2009 and 2008 includes interest income earned by us on various advances made to LLCs of approximately \$405,000 and \$331,000, respectively, and \$1.2 million and \$1.0 million for the nine months ended September 30, 2009 and 2008, respectively.

Below are the combined balance sheets (unaudited) for the twenty-eight LLCs accounted for under the equity method:

	September 30, 2009	December 31, 2008
	<i>(in thousands)</i>	
Net property, including CIP	\$ 288,511	\$ 268,588
Other assets	23,075	23,143
Total assets	<u>\$ 311,586</u>	<u>\$ 291,731</u>
Liabilities	\$ 12,369	\$ 11,418
Mortgage notes payable, non-recourse to us	247,180	230,481
Notes payable to us	19,082	17,350
Equity	32,955	32,482
Total liabilities and equity	<u>\$ 311,586</u>	<u>\$ 291,731</u>
Our share of equity and notes receivable from LLCs	<u>\$ 60,311</u>	<u>\$ 56,462</u>

As of September 30, 2009, aggregate maturities of mortgage notes payable by the twenty-eight LLCs, which are accounted for under the equity method and are non-recourse to us, are as follows (amounts in thousands):

2009	\$ 951
2010	77,094
2011	11,996
2012	21,245
2013	10,456
Thereafter	125,438
Total	<u>\$ 247,180</u>

Pursuant to the operating agreements of the LLCs, the third-party member and the Trust, at any time, have the right to make an offer ("Offering Member") to the other member(s) ("Non-Offering Member") in which it either agrees to: (i) sell the entire ownership interest of the Offering Member to the Non-Offering Member ("Offer to Sell") at a price as determined by the Offering Member ("Transfer Price"), or; (ii) purchase the entire ownership interest of the Non-Offering Member ("Offer to Purchase") at the equivalent proportionate Transfer Price. The Non-Offering Member has 60 days to either: (i) purchase the entire ownership interest of the Offering-Member at the Transfer Price, or; (ii) sell its entire ownership interest to the Offering Member at the equivalent proportionate Transfer Price. The closing of the transfer must occur within 60 days of the acceptance by the Non-Offering Member.

(6) Recent Accounting Pronouncements

In June 2009, the FASB issued the FASB Accounting Standards Codification ("Codification"). The Codification has become the single source for all authoritative GAAP recognized by the FASB to be applied for financial statements issued for periods ending after September 15, 2009. The Codification does not change GAAP and did not affect our results of operations or financial position.

In April 2009, the FASB issued standards that change the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of the impairment to be recorded in earnings. The implementation of this standard did not have a material impact on our consolidated financial position or results of operations.

In April 2009, the FASB issued standards related to fair value disclosures in both interim as well as annual financial statements in order to provide more timely information about the effects of current market conditions on financial instruments. The carrying amount and fair value of our long-term debt was \$34.2 million and \$34.4 million, respectively, at September 30, 2009.

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In April, 2009, the FASB issued standards related to fair value for assets or liabilities when the volume and level of activity has significantly decreased and identifying circumstances that indicate a transaction is not orderly. The overall objective of fair value measurement is that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. This standard did not have a material impact on our consolidated financial position or results of operations.

In May 2009, the FASB issued standards related to accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued (referred to as subsequent events). The standards set forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements. They also set forth the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements. Furthermore, the standards identify the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. We adopted these standards during the second quarter of 2009 and evaluated subsequent events through November 6, 2009.

In June 2009, the Financial Accounting Standards Board (“FASB”) issued an amendment to the accounting and disclosure requirements for transfers of financial assets. This amendment requires greater transparency and additional disclosures for transfers of financial assets and the entity’s continuing involvement with them and changes the requirements for derecognizing financial assets. In addition, this amendment eliminates the concept of a qualifying special-purpose entity (“QSPE”). This amendment becomes effective for us on January 1, 2010. We are currently evaluating the potential impact of this amendment but do not expect it to have a material impact on our financial statements.

In June 2009, the FASB also issued an amendment to the accounting and disclosure requirements for the consolidation of variable interest entities (“VIE”s). The elimination of the concept of a QSPE, as discussed above, removes the exception from applying the consolidation guidance within this amendment. This amendment requires an enterprise to perform a qualitative analysis when determining whether or not it must consolidate a VIE. The amendment also requires an enterprise to continuously reassess whether it must consolidate a VIE. Additionally, the amendment requires enhanced disclosures about an enterprise’s involvement with VIEs and any significant change in risk exposure due to that involvement, as well as how its involvement with VIEs impacts the enterprise’s financial statements. Finally, an enterprise will be required to disclose significant judgments and assumptions used to determine whether or not to consolidate a VIE. SFAS This amendment becomes effective for us on January 1, 2010. We are currently evaluating the potential impact of this amendment but we do not expect it to have a material impact on our financial statements.

(7) Segment Reporting

Our primary business is investing in and leasing healthcare and human service facilities through direct ownership or through joint ventures, which aggregate into a single reportable segment. We actively manage our portfolio of healthcare and human service facilities and may from time to time make decisions to sell lower performing properties not meeting our long-term investment objectives. The proceeds of sales are typically reinvested in new developments or acquisitions, which we believe will meet our planned rate of return. It is our intent that all healthcare and human service facilities will be owned or developed for investment purposes. Our revenue and net income are generated from the operation of our investment portfolio.

Our portfolio is located throughout the United States, however, we do not distinguish or group our operations on a geographical basis for purposes of allocating resources or measuring performance. We review operating and financial data for each property on an individual basis, therefore we define an operating segment as our individual properties. Individual properties have been aggregated into one reportable segment based upon their similarities with regard to both the nature and economics of the facilities, tenants and operational processes, as well as long-term average financial performance.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a real estate investment trust ("REIT") that commenced operations in 1986. We invest in healthcare and human service related facilities including acute care hospitals, behavioral healthcare facilities, rehabilitation hospitals, sub-acute facilities, surgery centers, childcare centers and medical office buildings. As of September 30, 2009, we have fifty-one real estate investments or commitments located in fifteen states consisting of:

- seven hospital facilities consisting of three acute care, one behavioral healthcare, one rehabilitation and two sub-acute;
- forty medical office buildings, including thirty-one owned by various LLCs, and;
- four pre-school and childcare centers.

Forward Looking Statements and Certain Risk Factors

This report contains "forward-looking statements" that reflect our current estimates, expectations and projections about our future results, performance, prospects and opportunities. Forward-looking statements include, among other things, the information concerning our possible future results of operations, business and growth strategies, financing plans, expectations that regulatory developments or other matters will not have a material adverse effect on our business or financial condition, our competitive position and the effects of competition, the projected growth of the industry in which we operate, and the benefits and synergies to be obtained from our completed and any future acquisitions, and statements of our goals and objectives, and other similar expressions concerning matters that are not historical facts. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "appears," "projects" and similar expressions, as well as statements in future tense, identify forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or our good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Such factors include, among other things, the following:

- a substantial portion of our revenues are dependent upon one operator, Universal Health Services, Inc., ("UHS");
- an increasing number of legislative initiatives have been introduced or proposed in recent years that would result in major changes in the health care delivery system on a national or state level and the operators of our facilities, including UHS, cannot predict whether any of the proposals will be adopted and, if adopted, no assurances can be given that their implementation will not have a material adverse effect on the business, financial condition or results of operations of our operators (see Item 1A. *Risk Factors-Health Care Reform* for additional disclosure);
- a subsidiary of UHS is our Advisor and our officers are all employees of UHS, which may create the potential for conflicts of interest;
- lost revenues from purchase option exercises and lease expirations and renewals, loan repayments and other restructuring;
- the availability and terms of capital to fund the growth of our business;
- the outcome of known and unknown litigation, government investigations, and liabilities and other claims asserted against us or the operators of our facilities, as described herein;
- the potential unfavorable impact on our business of continued deterioration in national, regional and local economic and business conditions, including a continuation or worsening of unfavorable credit market conditions;
- the continued deterioration in general economic conditions which could result in increases in the number of people unemployed and/or insured and likely increase the number of individuals without health insurance; as a result, the operators of our facilities may experience decreases in patient volumes which could result in decreased occupancy rates at our medical office buildings;
- a worsening of the economic and employment conditions in the United States could materially affect the business of our operators, including UHS which may unfavorably impact our future bonus rentals (on the UHS hospital facilities) and may potentially have a negative impact on the future lease renewal terms and the underlying value of the hospital properties;
- the deterioration of credit and capital markets may adversely affect our access to sources of funding and we cannot be certain of the availability and terms of capital to fund the growth of our business when needed;
- our majority ownership interests in various LLCs in which we hold non-controlling equity interests;
- real estate market factors, including without limitation, the supply and demand of office space and market rental rates, changes in interest rates as well as an increase in the development of medical office condominiums in certain markets;
- government regulations and potential unfavorable changes to reimbursement levels under the Medicare and Medicaid program resulting from, among other things, the various health care reform initiatives being proposed;
- the issues facing the health care industry that affect the operators of our facilities, including UHS, such as: changes in, or the ability to comply with, existing laws and government regulations; unfavorable changes in the levels and terms of reimbursement for our charges by third party payors or government programs, including Medicare or Medicaid;

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demographic changes; the ability to enter into managed care provider agreements on acceptable terms; an increase in uninsured and self-pay patients which unfavorably impacts the collectibility of patient accounts; decreasing in-patient admission trends; technological and pharmaceutical improvements that may increase the cost of providing, or reduce the demand for, health care, and; the ability to attract and retain qualified medical personnel, including physicians;

- three LLCs that own properties in California, in which we have various non-controlling equity interests, could not obtain earthquake insurance at rates which are economically beneficial in relation to the risks covered;
- competition for our operators from other REITs;
- competition from other health care providers, including physician owned facilities and other facilities owned by UHS, including, but not limited to, McAllen, Texas, the site of our largest acute care facility;
- changes in, or inadvertent violations of, tax laws and regulations and other factors than can affect REITs and our status as a REIT;
- should we be unable to comply with the strict income distribution requirements applicable to REITs, utilizing only cash generated by operating activities, we would be required to generate cash from other sources which could adversely affect our financial condition;
- fluctuations in the value of our common stock, and;
- other factors referenced herein or in our other filings with the Securities and Exchange Commission.

Given these uncertainties, risks and assumptions, you are cautioned not to place undue reliance on such forward-looking statements. Our actual results and financial condition, including the operating results of our lessees and the facilities leased to subsidiaries of UHS, could differ materially from those expressed in, or implied by, the forward-looking statements.

Forward-looking statements speak only as of the date the statements are made. We assume no obligation to publicly update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except as may be required by law. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We consider our critical accounting policies to be those that require us to make significant judgments and estimates when we prepare our financial statements, including the following:

Revenue Recognition: Our revenues consist primarily of rentals received from tenants, which are comprised of minimum rent (base rentals), bonus rentals and reimbursements from tenants for their pro-rata share of expenses such as common area maintenance costs, real estate taxes and utilities.

The minimum rent for all hospital facilities is fixed over the initial term or renewal term of the respective leases. Rental income recorded by our consolidated and unconsolidated medical office buildings ("MOBs") relating to leases in excess of one year in length, is recognized using the straight-line method under which contractual rents are recognized evenly over the lease term regardless of when payments are due. The amount of rental revenue resulting from straight-line rent adjustments is dependent on many factors including the nature and amount of any rental concessions granted to new tenants, scheduled rent increases under existing leases, as well as the acquisitions and sales of properties that have existing in-place leases with terms in excess of one year. As a result, the straight-line adjustments to rental revenue may vary from period-to-period. Bonus rents are recognized when earned based upon increases in each facility's net revenue in excess of stipulated amounts. Bonus rentals are determined and paid each quarter based upon a computation that compares the respective facility's current quarter's net revenue to the corresponding quarter in the base year. Tenant reimbursements for operating expenses are accrued as revenue in the same period the related expenses are incurred.

Real Estate Investments: On the date of acquisition, the purchase price of a property is allocated to the property's land, buildings and intangible assets based upon our estimates of their fair values. Depreciation is computed using the straight-line method over the useful lives of the buildings and capital improvements. The value of intangible assets is amortized as real estate amortization over the remaining lease term.

Asset Impairment: Real estate investments and related intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the property might not be recoverable. A property to be held and used is considered impaired only if management's estimate of the aggregate future cash flows, less estimated capital expenditures, to be generated by the property, undiscounted and without interest charges, are less than the carrying value of the property. This estimate takes into consideration factors such as expected future operating income, trends and prospects, as well as the effects of demand, competition, local market conditions and other factors.

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The determination of undiscounted cash flows requires significant estimates by management, including the expected course of action at the balance sheet date that would lead to such cash flows. Subsequent changes in estimated undiscounted cash flows arising from changes in anticipated action to be taken with respect to the property could impact the determination of whether an impairment exists and whether the effects could materially impact our net income. To the extent estimated undiscounted cash flows are less than the carrying value of the property, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property.

Assessment of the recoverability by us of certain lease related costs must be made when we have reason to believe that a tenant might not be able to perform under the terms of the lease as originally expected. This requires us to make estimates as to the recoverability of such costs.

An other than temporary impairment of an investment in an unconsolidated joint venture is recognized when the carrying value of the investment is not considered recoverable based on evaluation of the severity and duration of the decline in value, including projected declines in cash flows. To the extent impairment has occurred, the excess carrying value of the asset over its estimated fair value is charged to income.

Investments in Limited Liability Companies (“LLCs”): Our consolidated financial statements include the consolidated accounts of our controlled investments and those investments that meet the criteria of a variable interest entity where we are the primary beneficiary. In accordance with the FASB’s standards and guidance relating to accounting for investments and real estate ventures, we account for our unconsolidated investments in LLCs which we do not control using the equity method of accounting. The third-party members in these investments have equal voting rights with regards to issues such as, but not limited to: (i) divestiture of property; (ii) annual budget approval, and; (iii) financing commitments. These investments, which represent 33% to 99% non-controlling ownership interests, are recorded initially at our cost and subsequently adjusted for our net equity in the net income, cash contributions to, and distributions from, the investments. Pursuant to certain agreements, allocations of profits and losses of some of the LLC investments may be allocated disproportionately as compared to ownership interests after specified preferred return rate thresholds have been satisfied.

At September 30, 2009, we have non-controlling equity investments or commitments in thirty-one LLCs which own medical office buildings (“MOBs”). As of September 30, 2009, we accounted for: (i) twenty-eight of these LLCs on an unconsolidated basis pursuant to the equity method since they are not variable interest entities, and; (ii) three of these LLCs on a consolidated basis, since they are considered to be variable interest entities where we are the primary beneficiary by virtue of their master lease, lease assurance or lease guarantee arrangements with subsidiaries of Universal Health Services, Inc. (“UHS”), a related-party to us. One of these consolidated LLCs owns a medical office building which was completed and opened during the first nine months of 2009.

The other LLCs in which we hold various non-controlling ownership interests are not variable interest entities and therefore are not subject to the consolidation requirements.

Federal Income Taxes: No provision has been made for federal income tax purposes since we qualify as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986, and intend to continue to remain so qualified. As such, we are exempt from federal income taxes and we are required to distribute at least 90% of our real estate investment taxable income to our shareholders.

We are subject to a federal excise tax computed on a calendar year basis. The excise tax equals 4% of the amount by which 85% of our ordinary income plus 95% of any capital gain income for the calendar year exceeds cash distributions during the calendar year, as defined. No provision for excise tax has been reflected in the financial statements as no tax was due.

Earnings and profits, which determine the taxability of dividends to shareholders, will differ from net income reported for financial reporting purposes due to the differences for federal tax purposes in the cost basis of assets and in the estimated useful lives used to compute depreciation and the recording of provision for investment losses.

Relationship with Universal Health Services, Inc. (“UHS”) — UHS is our principal tenant and through UHS of Delaware, Inc., a wholly owned subsidiary of UHS, serves as our advisor (the “Advisor”) under an Advisory Agreement dated December 24, 1986 between the Advisor and us (the “Advisory Agreement”). Our officers are all employees of UHS and although as of September 30, 2009 we had no salaried employees, our officers do receive stock-based compensation from time-to-time.

Under the Advisory Agreement, the Advisor is obligated to present an investment program to us, to use its best efforts to obtain investments suitable for such program (although it is not obligated to present any particular investment opportunity to us), to provide administrative services to us and to conduct our day-to-day affairs. In performing its services under the Advisory Agreement, the Advisor may utilize independent professional services, including accounting, legal, tax and other services, for which the Advisor is reimbursed directly by us. The Advisory Agreement expires on December 31 of each year; however, it is renewable by us, subject to a determination by the Independent Trustees who are unaffiliated with UHS, that the Advisor’s performance has been satisfactory. The Advisory Agreement may be terminated for any reason upon sixty days written notice by us or the Advisor. The Advisory Agreement has been renewed for 2009. All transactions between us and UHS must be approved by the Independent Trustees. The Advisor is entitled to certain advisory fees for its services. See “Relationship with Universal Health Services, Inc. and Related Party Transactions” in Note 2 to the consolidated financial statements for additional information on the Advisory Agreement and related fees.

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The combined revenues generated from the leases on the UHS hospital facilities accounted for approximately 51% and 53% of our total revenue for the three months ended September 30, 2009 and 2008, respectively, and 51% and 56% for the nine months ended September 30, 2009 and 2008, respectively. Including 100% of the revenues generated at the unconsolidated LLCs in which we have various non-controlling equity interests ranging from 33% to 99%, the leases on the UHS hospital facilities accounted for approximately 20% of the combined consolidated and unconsolidated revenue for both of the three months ended September 30, 2009 and 2008, and 20% and 21% for the nine months ended September 30, 2009 and 2008, respectively. In addition, eleven medical office buildings (“MOBs”), plus one additional MOB currently under construction, owned by LLCs in which we hold various non-controlling equity interests, include or will include tenants which are subsidiaries of UHS. The leases to the hospital facilities of UHS are guaranteed by UHS and cross-defaulted with one another. For additional disclosure related to our relationship with UHS, please refer to Note 2 to the condensed consolidated financial statements—Relationship with Universal Health Services, Inc. (“UHS”) and Related Party Transactions.

Results of Operations

For the quarter ended September 30, 2009, net income was \$4.6 million, or \$0.38 per diluted share, as compared to \$4.2 million, or \$0.35 per diluted share, during the comparable prior year quarter. The increase in net income of \$365,000, or \$0.03 per diluted share, during the third quarter of 2009, as compared to the comparable quarter of the prior year, was primarily attributable to:

- a favorable change of approximately \$183,000, or \$0.02 per diluted share, resulting from an increase in equity in income of unconsolidated LLCs;
- a favorable change of approximately \$124,000, or \$0.01 per diluted share, resulting from an increase in bonus rents earned on hospital facilities operated by wholly-owned subsidiaries of UHS, and;
- other combined net favorable changes of approximately \$58,000.

For the nine-month period ended September 30, 2009, net income was \$14.0 million, or \$1.18 per diluted share, as compared to \$12.5 million, or \$1.05 per diluted share, during the comparable nine-month period of the prior year. The increase in net income of approximately \$1.5 million, or \$0.13 per diluted share, during the nine month period of 2009, as compared to the comparable nine month period of the prior year, was primarily attributable to:

- a favorable change of approximately \$900,000, or \$0.08 per diluted share, resulting from an increase in equity in income of unconsolidated LLCs;
- a favorable change of approximately \$200,000, or \$0.02 per diluted share, resulting from an increase in bonus rental from UHS facilities, and;
- other combined net favorable changes of approximately \$400,000, or \$0.03 per diluted share.

Total revenue increased approximately \$500,000 to \$7.9 million during the third quarter of 2009, as compared to \$7.4 million during the third quarter of 2008. Approximately \$350,000 of the increase was attributable to the revenues generated at Summerlin Hospital Medical Office Building III which opened during the first quarter of 2009. The additional \$150,000 increase in revenue is primarily attributable to the \$124,000 increase in bonus rental revenue earned on UHS hospital facilities. Total revenue increased approximately \$2.2 million to \$23.8 million during the nine month period of 2009, as compared to \$21.6 million during the nine month period of 2008. The \$2.2 million increase was primarily attributable to: (i) an increase of approximately \$550,000 in revenues generated at Palmdale Medical Plaza which opened during the third quarter of 2008; (ii) approximately \$850,000 of revenues generated at Summerlin Hospital Medical Office Building III, as mentioned above; (iii) a increase of approximately \$200,000 in bonus rental revenue, as mentioned above, and; (iv) an increase of approximately \$600,000 in combined favorable changes at several consolidated MOBs.

Depreciation and amortization expense increased \$106,000 and \$375,000 during the three and nine months ended September 30, 2009, as compared to the comparable prior year periods, respectively, due primarily to the expense recorded in connection with the above-mentioned, recently opened MOBs.

Interest expense, net of interest income, decreased \$51,000 during the three months ended September 30, 2009 as compared to the comparable prior year quarter, due primarily to a decrease in our average borrowing rate, partially offset by an increase in our average outstanding borrowings. During the nine month period ended September 30, 2009, interest expense, net of interest income, increased \$188,000 as compared to the comparable nine month period of 2008, due primarily to an increase in our average outstanding borrowings, partially offset by a decrease in our average borrowing rate. The increased borrowings were used primarily to fund the investments in LLCs and additions to real estate investments, as discussed herein.

Included in our other operating expenses are expenses related to the consolidated medical office buildings, which totaled \$1.2 million and \$948,000 for the three month periods ended September 30, 2009 and 2008, respectively, and \$3.6 million and \$2.7 million for the

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nine month periods ended September 30, 2009 and 2008, respectively. The increases in other operating expenses for the three and nine month periods ended September 30, 2009, are primarily attributable to: (i) the opening of Palmdale Medical Plaza during the third quarter of 2008; (ii) the opening of Summerlin Hospital Medical Office Building III during the first quarter of 2009, and; (iii) an increase in general maintenance expenses at various MOBs. A portion of the expenses associated with our consolidated medical office buildings is passed on directly to the tenants. Tenant reimbursements for operating expenses are accrued as revenue in the same period the related expenses are incurred and are included as tenant reimbursement revenue in our condensed consolidated statements of income.

During the three months ended September 30, 2009 and 2008, we recorded equity in income of unconsolidated LLCs of \$750,000 and \$567,000, respectively. The increase during the three month period of 2009, as compared to the comparable 2008 period, was primarily due to increased income generated at certain of our unconsolidated LLCs. During the nine months ended September 30, 2009 and 2008, we recorded equity in income of unconsolidated LLCs of \$2.5 million and \$1.6 million, respectively. The increase during the nine month period of 2009, as compared to the comparable 2008 period, was primarily due to increased income generated at several of our unconsolidated LLCs, including the effect of a favorable adjustment resulting from a change in estimate to the operating expenses of an LLC.

Funds from operations is a widely recognized measure of performance for Real Estate Investment Trusts ("REITs"). We believe that funds from operations ("FFO") and funds from operations per diluted share, which are non-GAAP financial measures ("GAAP" is Generally Accepted Accounting Principles in the United States of America), are helpful to our investors as measures of our operating performance. We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we interpret the definition. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income determined in accordance with GAAP. In addition, FFO should not be used as: (i) an indication of our financial performance determined in accordance with GAAP; (ii) an alternative to cash flow from operating activities determined in accordance with GAAP; (iii) a measure of our liquidity, or; (iv) an indicator of funds available for our cash needs, including our ability to make cash distributions to shareholders.

Below is a reconciliation of our reported net income to FFO for the three and nine month periods ended September 30, 2009 and 2008 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net income	\$ 4,571	\$ 4,206	\$ 14,019	\$ 12,523
Plus: Depreciation and amortization expense:				
Consolidated investments	1,598	1,497	4,674	4,314
Unconsolidated affiliates	2,126	1,882	6,151	5,532
Funds from operations (FFO)	<u>\$ 8,295</u>	<u>\$ 7,585</u>	<u>\$ 24,844</u>	<u>\$ 22,369</u>

During the fourth quarter of 2008, we recorded an asset impairment charge of \$4.6 million in connection with two medical office buildings (Southern Crescent Centers I and II) located on a medical campus in Georgia. This asset impairment charge was recorded after evaluation of property and location-specific factors including the future expiration of a master lease which is scheduled to occur in June, 2010 and the current and projected occupancy of the buildings. At this time, we believe it is probable that the master lease (which has been in effect since 2000 on one of these properties) will not be renewed upon its expiration in June, 2010. In the likely event that the master lease is not renewed, we will be required to find other operators for this property and/or enter into leases on terms potentially less favorable to us than the current master lease. Our revenues, net income and net cash provided by operating activities included approximately \$1.1 million annually in connection with the terms of this master lease (our financial statements for the nine-month periods ended September 30, 2009 and 2008 included the pro rata portion of that amount). Although we continue to actively market the available space in these two buildings, and have successfully executed new leases on a portion of the space, our annual revenues, net income and cash provided by operating activities in connection with these properties could be reduced by up to \$1 million annually beginning in July of 2010.

Liquidity and Capital Resources

Net cash provided by operating activities

Net cash provided by operating activities was \$19.0 million and \$16.7 million for the nine month periods ended September 30, 2009 and 2008, respectively.

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The \$2.3 million net increase was attributable to:

- a favorable change of \$1.9 million due to an increase in net income plus or minus the adjustments to reconcile net income to net cash provided by operating activities (depreciation and amortization);
- a favorable change of \$1.1 million in rent receivable primarily resulting from the timing of base rental payments by UHS;
- an unfavorable change of \$276,000 in accrued expenses and other liabilities;
- an unfavorable change of \$280,000 in tenant reserves, escrows, deposits and prepaid rents, and;
- other unfavorable changes of \$58,000.

The \$276,000 unfavorable change in accrued expenses and other liabilities resulted primarily from the partial settlement of accrued dividend rights during the nine months ended September 30, 2009, partially offset by various other net favorable changes. In order to meet certain recent changes to tax law requirements, the current payment of dividend equivalents will be made in the years in which dividends are declared and paid, or, if later, when the related options become vested. Dividend equivalents that were accrued as of December 31, 2008 with respect to previously vested options, were paid in January, 2009.

Net cash used in investing activities

Net cash used in investing activities was \$9.7 million during the nine months ended September 30, 2009 as compared to \$15.0 million during the nine months ended September 30, 2008.

During the nine month period ended September 30, 2009, we funded: (i) \$8.2 million of equity investments; (ii) \$2.1 million of advances to LLCs, and; (iii) \$5.8 million of capital additions consisting primarily of construction costs related to a new MOB in Las Vegas, Nevada, which opened during the first quarter of 2009, as well as refurbishments of an MOB that are expected to be completed during the first quarter of 2010. Also during the nine month period ended September 30, 2009, we received: (i) \$2.8 million related to debt refinancing by LLCs; (ii) \$680,000 in repayments of advances to LLCs, and; (iii) \$3.0 million of cash distributions in excess of income from our unconsolidated LLCs.

During the nine month period ended September 30, 2008, we funded \$6.3 million of equity investments, funded \$1.6 million of advances to LLCs, spent \$3.3 million on capital additions consisting primarily of construction costs related to the MOB in Palmdale California, spent \$4.7 million on the acquisition of real property and advanced \$4.0 million to our third-party partners, as discussed below. Also during the nine month period ended September 30, 2008, we received: (i) \$2.5 million related to debt refinancing by LLCs, and; (ii) \$2.3 million of cash distributions in excess of income from our unconsolidated LLCs.

During the first nine months of 2008, we advanced \$4.0 million to our third-party partners in a certain LLC in connection with a \$4.0 million loan agreement. This loan is a non-amortizing loan with interest paid on a quarterly basis. The interest rate on this loan is: (i) 4.25% plus LIBOR, or; (ii) if information to determine LIBOR is not available, three hundred seventy-five basis points over the then-existing borrowing cost. The loan has a stated maturity date of 2012, although it may be prepaid without penalty and is secured by various forms of collateral, including personal guarantees from each of the partners to the loan, as well as their ownership interest in the LLC. Interest on this loan agreement has been paid to us through September, 2009.

Net cash used in financing activities

Net cash used in financing activities was \$8.2 million during the nine months ended September 30, 2009 and \$1.3 million during the nine months ended September 30, 2008.

During the nine month period ended September 30, 2009, we received: (i) \$11.2 million of additional net borrowings on our revolving line of credit; (ii) \$1.7 million of additional net borrowings from mortgage, construction and other loans payable of consolidated LLCs, and; (iii) \$471,000 of cash from the issuance of shares of beneficial interest. Additionally, during the nine months ended September 30, 2009, we paid: (i) \$160,000 on mortgage notes payable that are non-recourse to us; (ii) \$213,000 as partial settlement of accrued dividend rights, as discussed above, and; (iii) \$21.2 million of dividends.

During the nine month period ended September 30, 2008, we received: (i) \$18.9 million of additional net borrowings on our revolving line of credit; (ii) \$212,000 of additional net borrowings from mortgage, construction and other loans payable of consolidated LLCs; (iii) \$65,000 of additional net borrowings from our third-party partner, and; (iv) \$422,000 of cash from the issuance of shares of beneficial interest. Additionally, during the nine months ended September 30, 2008, we paid: (i) \$20.7 million of dividends, and; (ii) paid \$139,000 on mortgage notes payable that are non-recourse to us.

A dividend of \$0.595 per share was paid on September 30, 2009 to shareholders of record as of September 16, 2009.

We earned net income of \$14.0 million and \$12.5 million during the nine months ended September 30, 2009 and 2008, respectively. We paid dividends of \$21.2 million and \$20.7 million during the nine months ended September 30, 2009 and 2008, respectively. As indicated on our consolidated statement of cash flows, we generated net cash provided by operating activities of \$19.0 million and

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\$16.7 million during the nine months ended September 30, 2009 and 2008, respectively. As also indicated on our statement of cash flows, noncash expenses such as depreciation and amortization expense are the primary differences between our net income and net cash provided by operating activities during each period. In addition, as reflected in the cash flows from investing activities, we received \$3.0 million and \$2.3 million during the nine months ended September 30, 2009 and 2008, respectively, of cash distributions in excess of income from various LLCs which, when combined with equity in income of unconsolidated LLCs recorded during the first nine months of each year, represents our share of the operating cash flow distributions from these entities. As a result, we generated \$22.1 million and \$19.0 million of net cash during the nine months ended September 30, 2009 and 2008, respectively, related to the operating activities of our properties recorded on a consolidated and an unconsolidated basis. As indicated on the cash flows from investing activities and cash flows from financing activities on the statements of cash flows, there were various sources and uses of cash during the nine months ended September 30, 2009 and 2008. Therefore, the funding source for our dividend payments is not wholly dependent on the operating cash flow generated by our properties in any given period. Rather, our dividends, as well as our capital reinvestments into our existing properties, acquisitions of real property and other investments are funded based upon the aggregate net cash inflows or outflows from all sources and uses of cash generated from the properties we own either in whole or through LLCs.

In determining and monitoring our dividend level on a quarterly basis, our management and Board of Trustees consider many factors in determining the amount of dividends to be paid each period. The considerations primarily include: (i) the minimum required amount of dividends to be paid in order to maintain our REIT status, currently 90% of taxable income; (ii) the projected operating results of our properties, including those owned in LLCs, and; (iii) our anticipated future capital commitments. Based upon the various sources of cash flows from investing activities and various sources of cash flows from financing activities discussed above, as well as projections and forecasts of our future operating cash flows, management and the Board of Trustees have determined that our operating cash flows are sufficient to fund our dividend payments.

We expect to finance all capital expenditures and acquisitions and pay dividends utilizing internally generated and additional funds. Additional funds may be obtained through: (i) the issuance of equity; (ii) borrowings under our existing revolving credit facility or through refinancing the existing revolving credit agreement; (iii) borrowings under or refinancing of existing third-party debt pursuant to mortgage and construction loan agreements entered into by our LLCs, and/or; (iv) the issuance of other long-term debt. There can be no assurance that such additional funds will be available in the preferred amounts or from the preferred sources. We believe that our net cash provided by operations will be sufficient to allow us to make distributions necessary to enable us to continue to qualify as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986.

Credit facilities and mortgage debt

In January 2007, we entered into a new unsecured \$100 million revolving credit agreement (the "Agreement") which expires on January 19, 2012. We have a one-time option, which can be exercised at any time, subject to bank approval, to increase the amount by \$50 million for a total commitment of \$150 million. The Agreement provides for interest at our option, at the Eurodollar rate plus 0.75% to 1.125%, or the prime rate plus zero to .125%. A fee of 0.15% to 0.225% is paid on the unused portion of the commitment. The margins over the Eurodollar, prime rate and the commitment fee are based upon our debt to total capital ratio as defined by the Agreement. As of September 30, 2009, the applicable margin over the Eurodollar rate was 0.75%, the margin over the prime rate was zero, and the commitment fee was 0.15%.

At September 30, 2009, we had \$50.2 million of outstanding borrowings and \$24.1 million of letters of credit outstanding against the Agreement. We had \$25.7 million of available borrowing capacity, net of the outstanding borrowings and letters of credit outstanding as of September 30, 2009. There are no compensating balance requirements. The Agreement contains a provision whereby the commitments will be reduced by 50% of the proceeds generated from any new equity offering.

Covenants relating to the Agreement require the maintenance of a minimum tangible net worth and specified financial ratios, limit our ability to incur additional debt, limit the aggregate amount of mortgage receivables and limit our ability to increase dividends in excess of 95% of cash available for distribution, unless additional distributions are required to comply with the applicable section of the Internal Revenue Code and related regulations governing real estate investment trusts.

The following table includes a summary of the required compliance ratios (dollar amounts in thousands):

	<u>Covenant</u>	<u>September 30, 2009</u>
Tangible net worth	>\$125,000	\$ 138,309
Debt to total capital	< 55%	28%
Debt service coverage ratio	> 1.25x	3.43x
Debt to cash flow ratio	< 3.50x	1.55x

We are in compliance with all of the covenants at September 30, 2009. We also believe that we would remain in compliance if the full amount of our commitment was borrowed.

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We have three mortgages, one term loan and one construction loan, all of which are non-recourse to us, included on our consolidated balance sheet as of September 30, 2009, with a combined outstanding carrying balance of \$34.2 million and fair value of \$34.4 million. The mortgages are secured by the real property of the buildings as well as property leases and rents. The following table summarizes our outstanding mortgages, term loan and construction loan at September 30, 2009 (amounts in thousands):

<u>Facility Name</u>	<u>Outstanding Balance (in thousands)</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Medical Center of Western Connecticut fixed rate mortgage loan(c)(d)	\$ 3,458	8.3%	2010
Summerlin Hospital MOB II fixed rate mortgage loan(c)(d)	8,293	8.3%	2010
Kindred Hospital-Corpus Christi fixed rate mortgage loan(c)	3,274	6.5%	2019
Palmdale Medical Plaza term loan(a)	7,140	5.0%	2010
Summerlin Hospital MOB III construction loan(b)	12,064	2.1%	2009
Total	<u>\$ 34,229</u>		

- (a) This term loan was extended, at our option, and is scheduled to mature on July 31, 2010 at variable interest rates based upon the prime rate. At this time, since we believe the terms of this loan are within current market underwriting criteria, we expect this loan to be refinanced on or before its maturity date for a three to ten year term at the then current market interest rates. In the unexpected event that we are unable to refinance this loan on reasonable terms, we will explore other financing alternatives, including, among other things, potentially increasing our equity investment in the property utilizing funds borrowed under our revolving credit facility.
- (b) This construction loan is scheduled to mature on December 31, 2009 at variable interest rates based upon LIBOR plus 1.8%. This loan can be extended, at our option, for two one-year terms at interest rates as provided for in the current loan agreement. At this time, we expect to exercise the first one-year extension option to extend the maturity date to December 31, 2010. Prior to the December 31, 2010 expiration, we expect to either exercise the second one-year extension option extending the maturity date to December 31, 2011, or, since we believe the terms of this loan are within the current market underwriting criteria, we could elect to refinance this loan for a three to ten year term at the then current market interest rates. In the unexpected event that we are unable to refinance this loan on reasonable terms, we would explore other financing alternatives including, among other things, potentially increasing our equity investment in the property utilizing funds borrowed under our revolving credit facility.
- (c) Amortized principal payments made on a monthly basis .
- (d) Since we believe the terms of these loans are within current market underwriting criteria, at this time, we expect to refinance these loans on or before their 2010 maturity dates for three to ten year terms at the then current market interest rates. In the unexpected event that we are unable to refinance this loan on reasonable terms, we will explore other financing alternatives, including, among other things, potentially increasing our equity investment in the property utilizing funds borrowed under our revolving credit facility.

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Off Balance Sheet Arrangements

As of September 30, 2009, we are party to certain off balance sheet arrangements consisting of standby letters of credit and equity and debt financing commitments. Our outstanding letters of credit at September 30, 2009 totaled \$24.1 million consisting of construction commitments as follows: (i) \$1.0 million related to Sierra Medical Properties; (ii) \$478,000 related to Arlington Medical Properties; (iii) \$4.4 million related to Centennial Hills Medical Properties; (iv) \$2.7 million related to Palmdale Medical Properties; (v) \$884,000 related to Deerval Properties II; (vi) \$5.0 million related to Banbury Medical Properties; (vii) \$1.8 million related to Sparks Medical Properties; (viii) \$4.4 million related to Grayson Properties, and; (ix) \$3.4 million related to Auburn Medical Properties II.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the quantitative and qualitative disclosures during the first nine months of 2009. Reference is made to Item 7A in the Annual Report on Form 10-K for the year ended December 31, 2008.

Item 4. Controls and Procedures

As of September 30, 2009, under the supervision and with the participation of our management, including the Trust's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), we performed an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "1934 Act"). Based on this evaluation, the CEO and CFO have concluded that our disclosure controls and procedures are effective to ensure that material information is recorded, processed, summarized and reported by management on a timely basis in order to comply with our disclosure obligations under the 1934 Act and the SEC rules thereunder.

There have been no changes in our internal control over financial reporting or in other factors during the third quarter of 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION **UNIVERSAL HEALTH REALTY INCOME TRUST**

Item 1A. Risk Factors

General economic and credit market conditions – Our future results of operations could be unfavorably impacted by continued deterioration in general economic conditions which could result in increases in the number of people unemployed and/or uninsured. Should that occur, it may result in decreased occupancy rates at our medical office buildings as well as a reduction in the revenues earned by the operators of our hospital facilities which would unfavorably impact our future bonus rentals (on the UHS hospital facilities) and may potentially have a negative impact on the future lease renewal terms and the underlying value of the hospital properties. Additionally, the general real estate market has been unfavorably impacted by the deterioration in economic and credit market conditions which may adversely impact the underlying value of our properties. The ongoing tightening in the credit markets and the instability in the banking and financial institutions has not had a material impact on us. However, there can be no assurance that continued deterioration in credit market conditions will not have a material unfavorable impact on our ability to finance our future growth through borrowed funds.

Health Care Reform — An increasing number of legislative initiatives have been introduced or proposed in recent years that would result in major changes in the health care delivery system on a national or a state level. Among the proposals that have been introduced are price controls on hospitals, insurance market reforms to increase the availability of group health insurance to small businesses, requirements that all businesses offer health insurance coverage to their employees and the creation of government health insurance plans that would cover all citizens and increase payments by beneficiaries. The operators of our facilities, including UHS, cannot predict whether any of the above proposals or other proposals will be adopted and, if adopted, no assurances can be given that their implementation will not have a material adverse effect on the businesses, financial condition and/or results of operations of our tenants.

Operators that fail to comply with governmental reimbursement programs such as Medicare or Medicaid, licensing and certification requirements, fraud and abuse regulations or new legislative developments may be unable to meet their obligations to us.

Our operators, including UHS and its subsidiaries, are subject to numerous federal, state and local laws and regulations that are subject to frequent and substantial changes (sometimes applied retroactively) resulting from legislation, adoption of rules and regulations, and administrative and judicial interpretations of existing law. The ultimate timing or effect of these changes cannot be predicted. Government regulation may have a dramatic effect on our operators' costs of doing business and the amount of reimbursement received by both government and other third-party payors. The failure of any of our operators to comply with these laws, requirements and regulations could adversely affect their ability to meet their obligations to us. These regulations include, among other items: hospital billing practices; relationships with physicians and other referral sources; adequacy of medical care; quality of medical equipment and services; qualifications of medical and support personnel; confidentiality, maintenance and security issues associated with health-related information and patient medical records; the screening, stabilization and transfer of patients who have emergency medical conditions; licensure and accreditation of our facilities; hospital rate or budget review; operating policies and procedures, and; construction or expansion of facilities and services.

If our operators fail to comply with applicable laws and regulations, they could be subjected to liabilities, including criminal penalties, civil penalties (including the loss of their licenses to operate one or more facilities), and exclusion of one or more facilities from participation in the Medicare, Medicaid and other federal and state health care programs. The imposition of such penalties could jeopardize that operator's ability to make lease or mortgage payments to us or to continue operating its facility. In addition, our bonus rents are based on our operators net revenues, which in turn are affected by the amount of reimbursement that such lessees receive from the government.

Although UHS and the other operators of our acute care facilities, believe that their policies, procedures and practices comply with governmental regulations, no assurance can be given that they will not be subjected to governmental inquiries or actions, or that they would not be faced with sanctions, fines or penalties if so subjected. Because many of these laws and regulations are relatively new, in many cases, our operators don't have the benefit of regulatory or judicial interpretation. In the future, it is possible that different interpretations or enforcement of these laws and regulations could subject their current or past practices to allegations of impropriety or illegality or could require them to make changes in the facilities, equipment, personnel, services, capital expenditure programs and operating expenses. Even if they were to ultimately prevail, a significant governmental inquiry or action under one of the above laws, regulations or rules could have a material adverse effect upon them, and in turn, us.

UHS Other Matters: UHS, together with its South Texas Health System affiliates, which operate McAllen Medical Center, were served with a subpoena dated November 21, 2005, issued by the Office of Inspector General of the Department of Health and Human Services ("OIG"). At that time, the Civil Division of the U.S. Attorney's office in Houston, Texas indicated that the subpoena was part of an investigation under the False Claims Act regarding compliance with Medicare and Medicaid rules and regulations pertaining to the payments to physicians and the solicitation of patient referrals from physicians from January 1, 1999 to the date of the subpoena, related to the South Texas Health System. On February 16, 2007, UHS's South Texas Health System affiliates were served with a search warrant in connection with what UHS had been advised was a related criminal Grand Jury investigation concerning the production of documents. At that time, the government obtained various documents and other property related to the facilities. Follow-up Grand Jury subpoenas for documents and witnesses and other requests for information were subsequently served on South Texas Health System facilities and certain UHS employees and former employees.

UHS has advised us that they have received notification from the U.S. Department of Justice ("DOJ") that, at this time, the DOJ will not be pursuing criminal prosecutive action against UHS or its South Texas Health System affiliates. The DOJ is still investigating whether or not any individuals independently obstructed justice as it relates to

the civil subpoena dated November 21, 2005. The Civil Division of the U.S. Attorney’s office in Houston, Texas continued its investigation focused on certain arrangements entered into by the South Texas Health System affiliates which, the government believed, may have violated Medicare and Medicaid rules and regulations pertaining to payments to physicians and the solicitation of patient referrals from physicians and other matters relating to payments to various individuals which may have constituted improper payments. UHS cooperated with the investigations and has reached an agreement to resolve the matter. UHS has agreed to make a payment in the amount of \$27.5 million, which was paid in October, 2009, and has entered into a corporate integrity agreement with respect to the South Texas Health Systems facilities. During 2008, UHS recorded a pre-tax charge of \$25 million to establish a reserve in connection with this matter and they reserved an additional \$3 million during 2009. Also during 2009, UHS recorded a \$4.3 million unfavorable discrete tax item to reflect the estimated nondeductible portion of the amount reserved. UHS does not expect to incur additional material charges with respect to this matter.

UHS has advised us that, during the third quarter of 2009, Southwest Healthcare System (“SWHCS”), a wholly-owned subsidiary of UHS which operates Rancho Springs Medical Center (the real property of which is not owned by us) and Inland Valley Regional Medical Center (“Inland Valley” the real property of which is owned by us) in Riverside County, California, entered into an agreement with the Center for Medicare and Medicaid Services (“CMS”). The agreement required SWHCS to engage an independent quality monitor to assist SWHCS in meeting all CMS’ conditions of participation. Further, the agreement provides that between the approximate dates of November 15, 2009 and January 15, 2010, CMS will conduct a full Medicare certification survey. While UHS has advised us that it believes that SWHCS has complied with all obligations under the agreement, there can be no assurance as to the outcome of such a survey or that the outcome would not have a material adverse effect on UHS. While the base rentals on Inland Valley are guaranteed by UHS through the end of the existing lease term (December, 2011), should this matter adversely impact the future revenues and/or operating results of SWHCS, the future bonus rental earned by us on Inland Valley, and the underlying value of the property, may be materially adversely impacted. Bonus rental revenue earned by us from Inland Valley amount to \$826,000 during the nine months ended September 30, 2009 and \$1.0 million during the twelve months ended December 31, 2008.

There are no other material changes in our risk factors from those set forth in our Annual Report on Form 10-K for the year ended December 31, 2008.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 6, 2009

UNIVERSAL HEALTH REALTY INCOME TRUST
(Registrant)

/s/ Alan B. Miller

Alan B. Miller, Chairman of the Board,
Chief Executive Officer and President
(Principal Executive Officer)

/s/ Charles F. Boyle

Charles F. Boyle,
Vice President and Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
10.1	Credit Agreement, dated as of January 19, 2007, by and among the Trust, the financial institutions from time to time party thereto and Wachovia Bank, National Association, as Administrative Agent, previously filed as Exhibit 10.1 to the Trust's Current Report on Form 8-K dated January 24, 2007.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EXHIBIT 1.1-1NOTICE OF ACCOUNT DESIGNATION

[Date]

Wachovia Bank, National Association
One Wachovia Center, TW-10
301 South College Street
Charlotte, North Carolina 28288-0680
Attn: Syndication Agency Services

Ladies and Gentlemen:

This Notice of Account Designation is delivered to you by UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the "Company"), under the Credit Agreement dated as of January __, 2007 (as amended, restated or otherwise modified, the "Credit Agreement") by and among the Company, the Banks party thereto and WACHOVIA BANK, NATIONAL ASSOCIATION, as administrative agent (the "Agent").

The Agent is hereby authorized to disburse all Loan proceeds into the following account, unless the Company shall designate, in writing to the Agent, one or more other accounts:

Bank Name: [_____]

ABA Routing Number: [_____]

Account Number: [_____]

Notwithstanding the foregoing, on the Closing Date of the Credit Agreement, funds borrowed under the Credit Agreement shall be sent to the institutions and/or persons designated on payment instructions to be delivered separately.

IN WITNESS WHEREOF, the undersigned has executed this Notice of Account Designation this __ day of January, 2007.

[CORPORATE SEAL]

UNIVERSAL HEALTH REALTY INCOME TRUST,
a Maryland real estate investment trust

By: _____

Name:

Title:

SUBSIDIARY GUARANTY

THIS SUBSIDIARY GUARANTY, dated as of the ___ day of January, 2007 (this “Guaranty”), is made by each of the undersigned Subsidiaries and each Significant Subsidiary that may become a party hereto by execution of a Guarantor Accession (as defined below) (the “Guarantors”) of **UNIVERSAL HEALTH REALTY INCOME TRUST**, a real estate investment trust organized under the laws of the State of Maryland (the “Company”), in favor of the Guaranteed Parties (as hereinafter defined). Capitalized terms used herein without definition shall have the meanings given to them in the Credit Agreement referred to below.

RECITALS

A. The Company, certain financial institutions from time to time party thereto (collectively, the “Banks”), and Wachovia Bank, National Association, as administrative agent for the Banks (in such capacity, the “Agent”), are parties to a Credit Agreement, dated as of January __, 2007 (as amended, modified or supplemented from time to time, the “Credit Agreement”), providing for the availability of certain credit facilities to the Company upon the terms and conditions set forth therein.

B. It is a condition to the extension of credit to the Company under the Credit Agreement that (1) each Guarantor shall have agreed, by executing and delivering this Guaranty, to guarantee to the Guaranteed Parties the payment in full of the Guaranteed Obligations (as hereinafter defined) and (2) promptly upon the formation or acquisition of any additional Significant Subsidiary, and in any event within 30 days thereof, the Company shall cause such additional Significant Subsidiary to execute a Guarantor Accession (as defined herein) pursuant to Section 7.33 of the Credit Agreement.

C. The Company and the Guarantors are engaged in related businesses and undertake certain activities and operations on an integrated basis. Each Guarantor will therefore obtain benefits as a result of the extension of credit to the Company under the Credit Agreement, which benefits are hereby acknowledged, and, accordingly, desires to execute and deliver this Guaranty.

STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to induce the Guaranteed Parties to enter into the Credit Agreement and to induce the Banks to extend credit to the Company thereunder, each Guarantor hereby agrees as follows:

1. Guaranty. (a) Each Guarantor hereby irrevocably, absolutely and unconditionally, and jointly and severally:

(i) guarantees to the Banks (including any Bank in its capacity as a counterparty to any Hedging Agreement with the Company), the Swingline Lender, the Issuing Bank and the Agent (collectively, the “Guaranteed Parties”) the full and prompt payment, at any time and from time to time as and when due (whether at the stated maturity, by acceleration or otherwise), of all Obligations of the Company under the Credit Agreement and the other Loan Documents, including, without limitation, all principal of and interest on the Loans, all fees, expenses,

indemnities and other amounts payable by the Company under the Credit Agreement or any other Loan Document (including interest accruing after the filing of a petition or commencement of a case by or with respect to the Company seeking relief under any Insolvency Laws (as hereinafter defined), whether or not the claim for such interest is allowed in such proceeding), all obligations of the Company under any Hedging Agreement, and all Obligations that, but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, would become due, in each case whether now existing or hereafter created or arising and whether direct or indirect, absolute or contingent, due or to become due (all liabilities and obligations described in this clause (i), collectively, the “Guaranteed Obligations”); and

(ii) agrees to pay or reimburse upon demand all reasonable costs and expenses (including, without limitation, reasonable attorneys’ fees and expenses) incurred or paid by (y) any Guaranteed Party in connection with any suit, action or proceeding to enforce or protect any rights of the Guaranteed Parties hereunder and (z) the Agent in connection with any amendment, modification or waiver hereof or consent pursuant hereto (all liabilities and obligations described in this clause (ii), collectively; the “Other Obligations”; and the Other Obligations, together with the Guaranteed Obligations, the “Total Obligations”).

(b) Notwithstanding the provisions of subsection (a) above and notwithstanding any other provisions contained herein or in any other Loan Document:

(i) no provision of this Guaranty shall require or permit the collection from any Guarantor of interest in excess of the maximum rate or amount that such Guarantor may be required or permitted to pay pursuant to applicable law; and

(ii) the liability of each Guarantor under this Guaranty as of any date shall be limited to a maximum aggregate amount (the “Maximum Guaranteed Amount”) equal to the greatest amount that would not render such Guarantor’s obligations under this Guaranty subject to avoidance, discharge or reduction as of such date as a fraudulent transfer or conveyance under applicable federal and state laws pertaining to bankruptcy, reorganization, arrangement, moratorium, readjustment of debts, dissolution, liquidation or other debtor relief, specifically including, without limitation, the Bankruptcy Code and any fraudulent transfer and fraudulent conveyance laws (collectively, “Insolvency Laws”), in each instance after giving effect to all other liabilities of such Guarantor, contingent or otherwise, that are relevant under applicable Insolvency Laws (specifically excluding, however, any liabilities of such Guarantor in respect of intercompany indebtedness to the Company or any of its Affiliates to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder, and after giving effect as assets to the value (as determined under applicable Insolvency Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such Guarantor pursuant to (y) applicable law or (z) any agreement (including this Guaranty) providing for an equitable allocation among such Guarantor and other Affiliates of the Company of obligations arising under guaranties by such parties).

(c) The guaranty of each Guarantor set forth in this Section is a guaranty of payment as a primary obligor, and not a guaranty of collection. Each Guarantor hereby acknowledges and agrees that the Guaranteed Obligations, at any time and from time to time, may exceed the Maximum Guaranteed Amount of such Guarantor and may exceed the aggregate of the Maximum Guaranteed Amounts of all Guarantors, in each case without discharging, limiting or otherwise affecting the obligations of any Guarantor hereunder or the rights, powers and remedies of any Guaranteed Party hereunder or under any other Loan Document.

2. Guaranty Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute and unconditional, are independent of the Guaranteed Obligations or other guaranty or liability in respect thereof, whether given by such Guarantor or any other Person, and shall not be discharged, limited or otherwise affected by reason of any of the following, whether or not such Guarantor has notice or knowledge thereof:

(i) any change in the time, manner or place of payment of, or in any other term of, any Guaranteed Obligations or any guaranty or other liability in respect thereof, or any amendment, modification or supplement to, restatement of, or consent to any rescission or waiver of or departure from, any provisions of the Credit Agreement, any other Loan Document or any agreement or instrument delivered pursuant to any of the foregoing;

(ii) the invalidity or unenforceability of any Guaranteed Obligations, any guaranty or other liability in respect thereof or any provisions of the Credit Agreement, any other Loan Document or any agreement or instrument delivered pursuant to any of the foregoing;

(iii) the addition or release of Guarantors hereunder or the taking, acceptance or release of other guarantees of any Guaranteed Obligations or for any guaranty or other liability in respect thereof;

(iv) any discharge, modification, settlement, compromise or other action in respect of any Guaranteed Obligations or any guaranty or other liability in respect thereof, including any acceptance or refusal of any offer or performance with respect to the same or the subordination of the same to the payment of any other obligations;

(v) any agreement not to pursue or enforce or any failure to pursue or enforce (whether voluntarily or involuntarily as a result of operation of law, court order or otherwise) any right or remedy in respect of any Guaranteed Obligations, any guaranty or other liability in respect thereof;

(vi) the exercise of any right or remedy available under the Loan Documents, at law, in equity or otherwise in respect of any Guaranteed Obligations or for any guaranty or other liability in respect thereof, in any order and by any manner thereby permitted;

(vii) any bankruptcy, reorganization, arrangement, liquidation, insolvency, dissolution, termination, reorganization or like change in the corporate structure or existence of the Company or any other Person directly or indirectly liable for any Guaranteed Obligations; or

(viii) any other circumstance that might otherwise constitute a legal or equitable discharge of, or a defense, set-off or counterclaim available to, the Company, any Guarantor or a surety or guarantor generally, other than the occurrence of all of the following: (x) the payment in full of the Total Obligations, (y) the termination of the Commitments and the termination or expiration of all Letters of Credit under the Credit Agreement, and (z) the termination of, and settlement of all obligations of the Company under, each Hedging Agreement to which the Company and any Bank are parties (the events in clauses (x), (y) and (z) above, collectively, the "Termination Requirements").

3. Certain Waivers. Each Guarantor hereby knowingly, voluntarily and expressly waives:

(i) presentment, demand for payment, demand for performance, protest and notice of any other kind, including, without limitation, notice of nonpayment or other nonperformance (including notice of default under any Loan Document with respect to any Guaranteed Obligations), protest, dishonor, acceptance hereof, extension of additional credit to the Company and of any of the matters referred to in Section 2 hereof and of any rights to consent thereto;

(ii) any right or defense based on or arising by reason of any right or defense of the Company or any other Person, including, without limitation, any defense based on or arising from a lack of authority or other disability of the Company or any other Person, the invalidity or unenforceability of any Guaranteed Obligations or any Loan Document or other agreement or instrument delivered pursuant thereto, or the cessation of the liability of the Company for any reason other than the satisfaction of the Termination Requirements;

(iii) any defense based on any Guaranteed Party's acts or omissions in the administration of the Guaranteed Obligations, any guaranty or other liability in respect thereof or other security for any of the foregoing;

(iv) any right to assert against any Guaranteed Party, as a defense, counterclaim, crossclaim or set-off, any defense, counterclaim, claim, right of recoupment or set-off that it may at any time have against any Guaranteed Party (including, without limitation, failure of consideration, statute of limitations, payment, accord and satisfaction and usury), other than compulsory counterclaims; and

(v) any defense based on or afforded by any applicable law that limits the liability of or exonerates guarantors or sureties or that may in any other way conflict with the terms of this Guaranty.

4. Waiver of Subrogation; Subordination. Until all of the Obligations have been paid in full, each Guarantor hereby knowingly, voluntarily and expressly waives all claims and rights that it may have against the Company at any time as a result of any payment made under or in connection with this Guaranty or the performance or enforcement hereof, including all rights of subrogation to the rights of any of the Guaranteed Parties against the Company, all rights of indemnity, contribution or reimbursement against the Company, all rights to enforce any remedies of any Guaranteed Party against the Company, in each case whether such claims or rights arise by contract, statute (including without limitation the Bankruptcy Code), common law or otherwise. Each Guarantor agrees that all indebtedness and other obligations, whether now or hereafter existing, of the Company or any other Subsidiary of the Company to such Guarantor, including, without limitation, any such indebtedness in any proceeding under the Bankruptcy Code and any intercompany receivables, together with any interest thereon, shall be, and hereby are, subordinated and made junior in right of payment to the Total Obligations. Each Guarantor further agrees that if any amount shall be paid to or any distribution received by any Guarantor (i) on account of any such indebtedness at any time after the occurrence and during the continuance of an Event of Default hereunder or under the Credit Agreement, or (ii) on account of any such rights of subrogation, indemnity, contribution or reimbursement at any time prior to the satisfaction of the Termination Requirements, such amount or distribution shall be deemed to have been received and to be held in trust for the benefit of the Guaranteed Parties, and shall forthwith be delivered to the Agent in the form received (with any necessary endorsements in the case of written instruments), to be applied against the Guaranteed Obligations, whether or not matured, in accordance with the terms of the applicable Loan Documents and without in any way discharging, limiting or otherwise affecting the liability of such

Guarantor under any other provision of this Guaranty. Additionally, in the event the Company or any Subsidiary of the Company becomes a “debtor” within the meaning of the Bankruptcy Code, the Agent shall be entitled, at its option, on behalf of the Guaranteed Parties and as attorney-in-fact for each Guarantor, and is hereby authorized and appointed by each Guarantor, to file proofs of claim on behalf of each relevant Guarantor and vote the rights of each such Guarantor in any plan of reorganization, and to demand, sue for, collect and receive every payment and distribution on any indebtedness of the Company or such Subsidiary to any Guarantor in any such proceeding, each Guarantor hereby assigning to the Agent all of its rights in respect of any such claim, including the right to receive payments and distributions in respect thereof.

5. Representations and Warranties. Each Guarantor hereby represents and warrants to the Guaranteed Parties as follows:

(a) Such Guarantor (a) is a corporation, partnership or limited liability company duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and (b) has the full power and authority to execute, deliver and perform this Guaranty, to own and hold its property and to engage in its business as presently conducted.

(b) Such Guarantor has taken all necessary corporate or limited liability company action to execute, deliver and perform this Guaranty. This Guaranty constitutes, the legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally or by general equitable principles.

(c) The execution, delivery and performance by such Guarantor of this Guaranty, and compliance by it with the terms hereof and thereof, do not and will not (i) violate any provision of its articles or certificate of incorporation or bylaws, (ii) contravene any Requirement of Law applicable to it, (iii) conflict with, result in a breach of or constitute (with notice, lapse of time or both) a default under any indenture, loan agreement, mortgage, deed of trust, lease or other agreement or instrument to which it is a party, by which it or any of its properties is bound or to which it is subject, or (iv) result in or require the creation or imposition of any Lien upon any of its properties, except to the extent that the failure of any of the foregoing to be true could not be reasonably expected to have a Material Adverse Effect.

(d) No consent, approval, authorization or other action by, notice to, or registration or filing with, any Governmental Authority is or will be required as a condition to or otherwise in connection with the due execution, delivery and performance by such Guarantor of this Guaranty or the legality, validity or enforceability hereof.

(e) There are no actions, investigations, suits or proceedings pending or, to the knowledge of such Guarantor, threatened, at law, in equity or in arbitration, before any court, other Governmental Authority or other Person, (i) against or affecting such Guarantor or any of its properties that would be reasonably likely to have a Material Adverse Effect or (ii) with respect to this Guaranty.

(f) Such Guarantor has been provided with a true and complete copy of the executed Credit Agreement, as in effect as of the date it became a party hereto, and its principal officers are familiar with the contents thereof, particularly insofar as the contents thereof relate or apply to such Guarantor.

(g) This Guaranty shall be a Loan Document and shall inure to the benefit of and be enforceable by each Guaranteed Party and its successors and assigns.

6. Events of Default. An Event of Default shall exist upon the occurrence of any Event of Default as defined in the Credit Agreement (each an “Event of Default”).

7. Financial Condition of the Company. Each Guarantor represents that it has knowledge of the Company’s financial condition and affairs and that it has adequate means to obtain from the Company on an ongoing basis information relating thereto and to the Company’s ability to pay and perform the Guaranteed Obligations, and agrees to assume the responsibility for keeping, and to keep, so informed for so long as this Guaranty is in effect with respect to such Guarantor. Each Guarantor agrees that the Guaranteed Parties shall have no obligation to investigate the financial condition or affairs of the Company for the benefit of any Guarantor nor to advise any Guarantor of any fact respecting, or any change in, the financial condition or affairs of the Company that might become known to any Guaranteed Party at any time, whether or not such Guaranteed Party knows or believes or has reason to know or believe that any such fact or change is unknown to any Guarantor, or might (or does) materially increase the risk of any Guarantor as guarantor, or might (or would) affect the willingness of any Guarantor to continue as a guarantor of the Guaranteed Obligations.

8. Payments; Application; Set-Off. (a) Each Guarantor agrees that, upon the failure of the Company to pay any Guaranteed Obligations when and as the same shall become due (whether at the stated maturity, by acceleration or otherwise), and without limitation of any other right or remedy that any Guaranteed Party may have at law, in equity or otherwise against such Guarantor, such Guarantor will, subject to the provisions of Section 1(b), forthwith pay or cause to be paid to the Agent, for the benefit of the Guaranteed Parties, an amount equal to the amount of the Guaranteed Obligations then due and owing as aforesaid.

(b) All payments made by each Guarantor hereunder will be made in Dollars to the Agent, without set-off, counterclaim or other defense and, in accordance with Section 3.8 of the Credit Agreement, each Guarantor hereby agreeing to comply with and be bound by the provisions of Section 3.8 of the Credit Agreement in respect of all payments made by it hereunder and the provisions of which Section are hereby incorporated into and made a part of this Guaranty by this reference as if set forth herein at length.

(c) All payments made hereunder shall be applied upon receipt in the manner set forth in Section 3.2 of the Credit Agreement.

(d) For purposes of applying amounts in accordance with this Section, the Agent shall be entitled to rely upon any Guaranteed Party that has entered into a Hedging Agreement with the Company for a determination (which such Guaranteed Party agrees to provide or cause to be provided upon request of the Agent) of the outstanding Guaranteed Obligations owed to such Guaranteed Party under any such Hedging Agreement. Unless it has actual knowledge (including by way of written notice from any such Guaranteed Party) to the contrary, the Agent, in acting hereunder, shall be entitled to assume that no Hedging Agreements or Obligations in respect thereof are in existence between any Guaranteed Party and the Company.

(e) The Guarantors shall remain jointly and severally liable to the extent of any deficiency between the amount of all payments made hereunder and the aggregate amount of the Total Obligations.

(f) In addition to all other rights and remedies available under the Loan Documents or applicable law or otherwise, upon and at any time after the occurrence and during the continuance of any Event of Default, each Guaranteed Party may, and is hereby authorized by each Guarantor, at any such time and from time to time, to the fullest extent permitted by applicable law, without presentment,

demand, protest or other notice of any kind, all of which are hereby knowingly and expressly waived by each Guarantor, to set off and to apply any and all deposits (general or special, time or demand, provisional or final) and any other property at any time held (including at any branches or agencies, wherever located), and any other indebtedness at any time owing, by such Guaranteed Party to or for the credit or the account of such Guarantor against any or all of the obligations of such Guarantor to such Guaranteed Party hereunder now or hereafter existing. Each Guaranteed Party agrees to notify any affected Guarantor promptly after any such set-off and application; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

9. No Waiver. The rights and remedies of the Guaranteed Parties expressly set forth in this Guaranty and the other Loan Documents are cumulative and in addition to, and not exclusive of, all other rights and remedies available at law, in equity or otherwise. No failure or delay on the part of any Guaranteed Party in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or be construed to be a waiver of any Default or Event of Default. No course of dealing between any of the Guarantors and the Guaranteed Parties or their agents or employees shall be effective to amend, modify or discharge any provision of this Guaranty or any other Loan Document or to constitute a waiver of any Default or Event of Default. No notice to or demand upon any Guarantor in any case shall entitle such Guarantor or any other Guarantor to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of any Guaranteed Party to exercise any right or remedy or take any other or further action in any circumstances without notice or demand.

10. Enforcement. The Guaranteed Parties agree that, except as provided in Section 8(f), this Guaranty may be enforced only by the Agent, acting upon the instructions or with the consent of the Banks as provided for in the Credit Agreement, and that no Guaranteed Party shall have any right individually to enforce or seek to enforce this Guaranty. The obligations of each Guarantor hereunder are independent of the Guaranteed Obligations, and a separate action or actions may be brought against each Guarantor whether or not action is brought against the Company or any other Guarantor and whether or not the Company or any other Guarantor is joined in any such action. Each Guarantor agrees that to the extent all or part of any payment of the Guaranteed Obligations made by any Person is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by or on behalf of any Guaranteed Party to a trustee, receiver or any other party under any insolvency laws (the amount of any such payment, a "Reclaimed Amount"), then, to the extent of such Reclaimed Amount, this Guaranty shall continue in full force and effect or be revived and reinstated, as the case may be, as to the Guaranteed Obligations intended to be satisfied as if such payment had not been received; and each Guarantor acknowledges that the term "Guaranteed Obligations" includes all Reclaimed Amounts that may arise from time to time.

11. Amendments, Waivers, etc. No amendment, modification, waiver, discharge or termination of, or consent to any departure by any Guarantor from, any provision of this Guaranty, shall be effective unless in a writing signed by the Guarantors, the Agent and such of the Banks as may be required under the provisions of the Credit Agreement to concur in the action then being taken, and then the same shall be effective only in the specific instance and for the specific purpose for which given.

12. Addition, Release of Guarantors. Each Guarantor recognizes that the provisions of the Credit Agreement require Persons that become Significant Subsidiaries of the Company and that are not already parties hereto to become Guarantors hereunder by executing a Guarantor Accession in the form attached hereto as Exhibit A (the "Guarantor Accession"), and agrees that its obligations hereunder shall not be discharged, limited or otherwise affected by reason of the same, or by reason of the Agent's

actions in effecting the same or in releasing any Guarantor hereunder, in each case without the necessity of giving notice to or obtaining the consent of any other Guarantor.

13. Continuing Guaranty; Term; Successors and Assigns; Assignment; Survival. This Guaranty is a continuing guaranty and covers all of the Guaranteed Obligations as the same may arise and be outstanding at any time and from time to time from and after the date hereof, and shall (i) remain in full force and effect until satisfaction of all of the Termination Requirements, (ii) be binding upon and enforceable against each Guarantor and its successors and assigns (provided, however, that no Guarantor may sell, assign or transfer any of its rights, interests, duties or obligations hereunder without the prior written consent of the Banks) and (iii) inure to the benefit of and be enforceable by each Guaranteed Party and its successors and assigns. Without limiting the generality of clause (iii) above, any Guaranteed Party may, in accordance with the provisions of the Credit Agreement, assign all or a portion of the Guaranteed Obligations held by it (including by the sale of participations), whereupon each Person that becomes the holder of any such Guaranteed Obligations shall (except as may be otherwise agreed between such Guaranteed Party and such Person) have and may exercise all of the rights and benefits in respect thereof granted to such Guaranteed Party under this Guaranty or otherwise. Each Guarantor hereby irrevocably waives notice of and consents in advance to the assignment as provided above from time to time by any Guaranteed Party of all or any portion of the Guaranteed Obligations held by it and of the corresponding rights and interests of such Guaranteed Party hereunder in connection therewith. All representations, warranties, covenants and agreements herein shall survive the execution and delivery of this Guaranty and any Guarantor Accession.

14. Governing Law; Consent to Jurisdiction; Appointment of Company as Representative, Process Agent, Attorney-in-Fact. (a) THIS GUARANTY SHALL BE DEEMED TO BE A CONTRACT UNDER THE LAWS OF THE STATE OF NORTH CAROLINA AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NORTH CAROLINA, WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OR CHOICE OF LAW. THE GUARANTOR AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS GUARANTY OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NORTH CAROLINA OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT.

(b) NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF ANY GUARANTEED PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST ANY GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

15. Waiver of Jury Trial. EACH GUARANTOR AND, BY ITS ACCEPTANCE OF THE BENEFITS HEREOF, EACH GUARANTEED PARTY, HEREBY WAIVES, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, ITS RESPECTIVE RIGHTS TO TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR IN CONNECTION WITH THIS GUARANTY OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY PROCEEDING TO WHICH ANY GUARANTEED PARTY OR SUCH GUARANTOR IS A PARTY, INCLUDING ANY ACTIONS BASED UPON, ARISING OUT OF, OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY GUARANTEED PARTY OR SUCH GUARANTOR.

16. Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telex, facsimile transmission or cable communication) and mailed,

telegraphed, telexed, telecopied, cabled or delivered (a) if to any Guarantor, in care of the Company and at the Company's address for notices set forth in the Credit Agreement and (b) if to any Guaranteed Party, at its address for notices set forth on Schedule 11.5 of the Credit Agreement; or to such other address as any of the Persons listed above may designate for itself by like notice to the other Persons listed above; and in each case, with copies to such other Persons as may be specified under the provisions of the Credit Agreement. All such notices and communications shall be deemed to have been given (i) if mailed as provided above by any method other than overnight delivery service, on the third Business Day after deposit in the mails, (ii) if mailed by overnight delivery service, telegraphed, telexed, telecopied or cabled, when delivered for overnight delivery, delivered to the telegraph company, confirmed by telex answerback, transmitted by telecopier or delivered to the cable company, respectively, or (iii) if delivered by hand, upon delivery; provided that notices and communications to the Agent shall not be effective until received by the Agent.

17. Severability. To the extent any provision of this Guaranty is prohibited by or invalid under the applicable law of any jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity and only in such jurisdiction, without prohibiting or invalidating such provision in any other jurisdiction or the remaining provisions of this Guaranty in any jurisdiction.

18. Construction. The headings of the various sections and subsections of this Guaranty have been inserted for convenience only and shall not in any way affect the meaning or construction of any of the provisions hereof. Unless the context otherwise requires, words in the singular include the plural and words in the plural include the singular.

19. Counterparts; Effectiveness. This Guaranty may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Guaranty shall become effective, as to any Guarantor, upon the execution and delivery by such Guarantor of a counterpart hereof or a Guarantor Accession.

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed by its duly authorized officers as of the date first above written.

73 MEDICAL BUILDING, LLC,
a Connecticut limited liability company

By: _____
Name: _____
Title: _____

CYPRESSWOOD INVESTMENTS, L.P.,
a Georgia Limited Partnership

By: Universal Health Realty Income Trust,
its general partner

By: _____
Name: _____
Title: _____

Accepted and agreed to:

WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent for
the Banks

By: _____
Name: _____
Title: _____

EXHIBIT A

GUARANTOR ACCESSION

THIS GUARANTOR ACCESSION (this “Accession”), dated as of _____, __, is executed and delivered by [NAME OF NEW GUARANTOR], a _____ [corporation][limited liability company] (the “Subsidiary Guarantor”), pursuant to the Subsidiary Guaranty referred to hereinbelow.

Reference is made to the Credit Agreement, dated as of January __, 2007, among Universal Health Realty Income Trust, a real estate investment trust organized under the laws of the State of Maryland (the “Company”), the Banks party thereto, and the Agent (as amended, modified or supplemented from time to time, the “Credit Agreement”). In connection with and as a condition to the Banks’ entering into the Credit Agreement and making the initial and continued extensions of credit to the Company thereunder, the Subsidiary Guarantor and certain of its subsidiaries have executed and delivered a Subsidiary Guaranty, dated as of January __, 2007 (as amended, modified or supplemented from time to time, the “Subsidiary Guaranty”), pursuant to which such subsidiaries have guaranteed the payment in full of the obligations of the Company under the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement). Capitalized terms used herein without definition shall have the meanings given to them in the Subsidiary Guaranty.

The Company has agreed under Section 7.33 of the Credit Agreement to cause certain of its future subsidiaries to become parties to the Subsidiary Guaranty as guarantors thereunder. The Subsidiary Guarantor is a subsidiary of the Company. The Subsidiary Guarantor will obtain benefits as a result of the continued extension of credit to the Company under the Credit Agreement, which benefits are hereby acknowledged, and, accordingly, desire to execute and deliver this Accession. Therefore, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the Banks to continue to extend credit to the Company under the Credit Agreement, the Subsidiary Guarantor hereby agrees as follows:

1. The Subsidiary Guarantor hereby joins in and agrees to be bound by each and all of the provisions of the Subsidiary Guaranty as a Guarantor thereunder. In furtherance (and without limitation) of the foregoing, pursuant to Section 1 of the Subsidiary Guaranty, the Subsidiary Guarantor hereby irrevocably, absolutely and unconditionally, and jointly and severally with each other Guarantor, guarantees to the Guaranteed Parties the full and prompt payment, at any time and from time to time as and when due (whether at the stated maturity, by acceleration or otherwise), of all of the Guaranteed Obligations, and agrees to pay or reimburse upon demand all Other Obligations, all on the terms and subject to the conditions set forth in the Subsidiary Guaranty.

2. The Subsidiary Guarantor hereby represents and warrants that after giving effect to this Accession, each representation and warranty contained in Section 5 of the Subsidiary Guaranty is true and correct with respect to the Subsidiary Guarantor as of the date hereof, as if such representations and warranties were set forth at length herein.

3. This Accession shall be a Loan Document (within the meaning of such term under the Credit Agreement), shall be binding upon and enforceable against the Subsidiary Guarantor and its successors and assigns, and shall inure to the benefit of and be enforceable by each Guaranteed Party and its successors and assigns. This Accession and its attachments are hereby incorporated into the Subsidiary Guaranty and made a part thereof.

IN WITNESS WHEREOF, the Subsidiary Guarantor has caused this Accession to be executed under seal by its duly authorized officer as of the date first above written.

[NAME OF NEW GUARANTOR]

By: _____

Title: _____

EXHIBIT 2.2

[FORM OF]
NOTICE OF BORROWING

[Date]

Wachovia Bank, National Association, as Agent
under the Credit Agreement referred to below
One Wachovia Center, TW-10
301 South College Street
Charlotte, North Carolina 28288-0680
Attn: Syndication Agency Services

Ladies and Gentlemen:

Pursuant to Section 2.2 and/or Section 2.14 of the Credit Agreement (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”) dated as of January __, 2007 among UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the “Company”), the banks and other financial institutions from time to time party thereto (the “Banks”) and WACHOVIA BANK, NATIONAL ASSOCIATION, as Agent for the Banks, the Company hereby requests the following:

I. Revolving Loans to be made on [date] as follows (the “Proposed Borrowing”):

(1)	Total Amount of Revolving Loans	\$	_____
(2)	Amount of (1) to be allocated to LIBO Rate Loans	\$	_____
(3)	Amount of (1) to be allocated to Base Rate Loans	\$	_____
(4)	Interest Periods and amounts to be allocated thereto in respect of LIBO Rate Loans (amounts must total (2)):		
(i)	one month	\$	_____
(ii)	two months	\$	_____
(iii)	three months	\$	_____
(iv)	six months	\$	_____
(v)	nine months	\$	_____
(vi)	twelve months	\$	_____
	Total LIBO Rate Loans	\$	_____

NOTE: BORROWINGS MUST BE IN MINIMUM AMOUNTS OF (A) WITH RESPECT TO LIBO RATE LOANS \$100,000 AND \$100,000 INCREMENTS IN EXCESS THEREOF AND (B) WITH RESPECT TO BASE RATE LOANS, \$100,000 AND \$100,000 INCREMENTS IN EXCESS THEREOF.

II. Swingline Loans to be made on [date] as follows:

(1)	Total Amount of Swingline Loans	\$_____
-----	---------------------------------	---------

NOTE: SWINGLINE LOAN BORROWINGS MUST BE IN MINIMUM AMOUNTS OF \$100,000 AND IN INTEGRAL AMOUNTS OF \$100,000 IN EXCESS THEREOF.

Terms defined in the Credit Agreement shall have the same meanings when used herein.

The undersigned hereby certifies that the following statements are true on the date hereof and will be true on the date of the Proposed Borrowing:

(A) the applicable representations and warranties contained in the Credit Agreement and in the other Loan Documents are and will be true and correct in all material respects, both before and after giving effect to the Proposed Borrowing and to the application of the proceeds thereof, with the same effect as though such representations and warranties had been made on and as of the date of such Proposed Borrowing (it being understood that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date); and

(B) no Default or Event of Default has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds thereof.

Very truly yours,

UNIVERSAL HEALTH REALTY INCOME TRUST
a Maryland real estate investment trust

By: _____
Name: _____
Title: _____

EXHIBIT 2.5(a).

[FORM OF]
REVOLVING NOTE

January __, 2007

FOR VALUE RECEIVED, the undersigned, UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the "Company") hereby unconditionally promises to pay, on the Maturity Date (as defined in the Credit Agreement referred to below), to the order of _____ (the "Bank") at the office of Wachovia Bank, National Association located at One Wachovia Center, 301 South College Street, 5th Floor, Charlotte, North Carolina 28288, in lawful money of the United States of America and in immediately available funds, the aggregate unpaid principal amount of all Revolving Loans made by the Bank to the undersigned pursuant to Section 2.2 of the Credit Agreement referred to below. The undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof and, to the extent permitted by law and when required by the Credit Agreement, accrued interest owing hereunder from time to time from the date hereof until payment in full of the principal amount hereof and accrued interest hereon, at the rates and on the dates set forth in the Credit Agreement.

The holder of this Note is authorized to endorse the date and amount of each Revolving Loan pursuant to Section 2.2 of the Credit Agreement and each payment of principal and interest with respect thereto and its character as a LIBO Rate Loan or a Base Rate Loan on Schedule I annexed hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, which endorsement shall constitute prima facie evidence of the accuracy of the information endorsed; provided, however, that the failure to make any such endorsement shall not affect the obligations of the undersigned under this Note.

This Note is one of the Notes referred to in the Credit Agreement dated as of the date hereof among the Company, the Bank, the other banks and financial institutions from time to time parties thereto and Wachovia Bank, National Association, as Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), and is entitled to the benefits thereof. Terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein. In the event this Note is not paid when due at any stated or accelerated maturity, the Company agrees to pay, in addition to principal and interest, all costs of collection, including reasonable attorneys' fees.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of North Carolina.

UNIVERSAL HEALTH REALTY INCOME TRUST,
a Maryland real estate investment trust

By: _____
Name: _____
Title: _____

Note

[illegible]

¹ The type of Loan may be represented by “L” for LIBO Rate Loans or “BR” for Base Rate Loans.

EXHIBIT 2.14(D)

[FORM OF]
SWINGLINE NOTE

FOR VALUE RECEIVED, the undersigned, UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the “Company”) hereby unconditionally promises to pay, on the Maturity Date (as defined in the Credit Agreement referred to below), to the order of _____ (the “Bank”) at the office of Wachovia Bank, National Association located at One Wachovia Center, 301 South College Street, 5th Floor, Charlotte, North Carolina 28288, in lawful money of the United States of America and in immediately available funds, the aggregate unpaid principal amount of all Swingline Loans made by the Bank to the undersigned pursuant to Section 2.14 of the Credit Agreement referred to below. The undersigned further agrees to pay interest in like money at such office on the unpaid principal amount hereof and, to the extent permitted by law and when required by the Credit Agreement, accrued interest owing hereunder from time to time from the date hereof until payment in full of the principal amount hereof and accrued interest hereon, at the rates and on the dates set forth in the Credit Agreement.

The holder of this Note is authorized to endorse the date and amount of each Swingline Loan made pursuant to Section 2.14 of the Credit Agreement and each payment of principal and interest with respect thereto on Schedule 1 annexed hereto and made a part hereof, or on a continuation thereof which shall be attached hereto and made a part hereof, which endorsement shall constitute prima facie evidence of the accuracy of the information endorsed (absent error); provided, however, that the failure to make any such endorsement shall not affect the obligations of the undersigned under this Note.

This Note is one of the Notes referred to in the Credit Agreement dated as of the date hereof among the Company, the Bank, the other banks and financial institutions from time to time parties thereto and Wachovia Bank, National Association, as Agent (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), and is entitled to the benefits thereof. Terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein. In the event this Note is not paid when due at any stated or accelerated maturity, the Company agrees to pay, in addition to principal and interest, all costs of collection, including reasonable documented attorneys’ fees.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

This Note shall be governed by, and construed and interpreted in accordance with, the law of the State of North Carolina.

UNIVERSAL HEALTH REALTY INCOME TRUST,
a Maryland real estate investment trust

By: _____
Name: _____
Title: _____

to
Swingline Note

[illegible]

EXHIBIT 2.6

[FORM OF]
NEW COMMITMENT AGREEMENT

Reference is made to the Credit Agreement dated as of January __, 2007 (as amended, restated or otherwise modified, the “Credit Agreement”) by and among UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the “Company”), the Banks party thereto and Wachovia Bank, National Association, as administrative agent for the Banks (in such capacity, the “Agent”). All of the defined terms in the Credit Agreement are incorporated herein by reference.

1. Effective as of the Effective Date set forth below, the undersigned Bank hereby confirms its Commitment, in the aggregate principal amount set forth below, to make Loans in accordance with the provisions of Article II of the Credit Agreement. If the undersigned Bank is already a Bank under the Credit Agreement, such Bank acknowledges and agrees that such Commitment is in addition to any existing Commitment of such Bank under the Credit Agreement. If the undersigned Bank is not already a Bank under the Credit Agreement, such Bank hereby acknowledges, agrees and confirms that, by its execution of this New Commitment Agreement, such Bank acknowledges and agrees that it will, as of the Effective Date, be a party to the Credit Agreement and be bound by the provisions of the Credit Agreement and, to the extent of its such Commitment, have the rights and obligations of a Bank thereunder.

2. This New Commitment Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina.

Amount of such Commitment: \$_____

Effective Date of such Commitment: _____, _____

The terms set forth above are hereby agreed to:

[Bank]

By: _____
Name: _____
Title: _____

CONSENTED TO (as required by the Credit Agreement):

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Agent

By: _____
Name: _____
Title: _____

UNIVERSAL HEALTH REALTY INCOME TRUST
a Maryland real estate investment trust

By: _____
Name: _____
Title: _____

NOTICE OF PREPAYMENT

Dated as of: _____

Wachovia Bank, National Association,
as Agent
201 South College Street, CP-8
Charlotte, North Carolina 28288-0680
Attention: Syndication Agency Services

Ladies and Gentlemen:

This irrevocable Notice of Prepayment is delivered to you by Universal Health Realty Income Trust (the “Company”), in connection with Section 2.10(a) of the Credit Agreement dated as of January __, 2007 (as amended, restated or otherwise modified, the “Credit Agreement”) by and among the Company, the Banks from time to time party thereto, and Wachovia Bank, National Association, as administrative agent (the “Agent”).

1. The Company hereby provides notice to the Agent that it shall repay the following [Base Rate Loans] [LIBO Rate Loans] [Swingline Loans] in an amount equal to _____.

2. The Company shall repay the above-referenced Loans on the following Business Day: _____. (Complete with a Business Day at least one (1) Business Day subsequent to the date of this Notice of Prepayment with respect to any Base Rate Loan and three (3) Business Days subsequent to the date of this Notice of Prepayment with respect to any LIBO Rate Loan).

4. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Notice of Prepayment this __ day of _____, ____.

UNIVERSAL HEALTH REALTY INCOME TRUST

By: _____
Name: _____
Title: _____

EXHIBIT 2.13

[FORM OF]
NOTICE OF CONVERSION/EXTENSION

[Date]

Wachovia Bank, National Association, as Agent
under the Credit Agreement referred to below
One Wachovia Center, TW-10
301 South College Street
Charlotte, North Carolina 28288-0680
Attn: Syndication Agency Services

Ladies and Gentlemen:

Pursuant to Section 2.13 of the Credit Agreement dated as of January __, 2007 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the "Company"), the banks and other financial institutions from time to time parties thereto (the "Banks") and Wachovia Bank, National Association, as Agent for the Banks, the Company hereby requests conversion or extension of the following Revolving Loans be made on [date] as follows (the "Proposed Conversion/Extension"):

(1)	Total Amount of Revolving Loans to be converted/extended	\$ _____
(2)	Amount of (1) to be allocated to LIBO Rate Loans	\$ _____
(3)	Amount of (1) to be allocated to Base Rate Loans	\$ _____
(4)	Interest Periods and amounts to be allocated thereto in respect of LIBO Rate Loans (amounts must total (2)):	
(i)	one month	\$ _____
(ii)	two months	\$ _____
(iii)	three months	\$ _____
(iv)	six months	\$ _____
(v)	nine months	\$ _____
(vi)	twelve months	\$ _____
	Total LIBO Rate Loans	\$ _____

NOTE: BORROWINGS MUST BE IN MINIMUM AMOUNTS OF (A) WITH RESPECT TO LIBO RATE LOANS, \$100,000 and \$100,000 INCREMENTS IN EXCESS THEREOF AND (B) WITH RESPECT TO BASE RATE LOANS \$100,000 AND \$100,000 INCREMENTS IN EXCESS THEREOF.

Terms defined in the Credit Agreement shall have the same meanings when used herein.

The undersigned hereby certifies as of the date hereof and on the-date of the Proposed Conversion/Extension that no Default or Event of Default has occurred and is continuing, or would result from such Proposed Conversion/Extension or from the application of the proceeds thereof.

Very truly yours,

UNIVERSAL HEALTH REALTY INCOME TRUST a Maryland
real estate investment trust

By: _____
Name: _____
Title: _____

FORM OF OPINION OF COMPANY COUNSEL

January 19, 2007

Wachovia Bank, National Association, as Agent
and each of the Banks party to the
Credit Agreement referred to below
201 South College Street, CP-23
Charlotte, North Carolina 28288-0680

Ladies and Gentlemen:

I am General Counsel of Universal Health Realty Income Trust, a real estate investment trust organized under the laws of Maryland (the “Company”), and have served in such capacity in the negotiation, execution and delivery of that certain Credit Agreement dated as of January 19, 2007 (the “Credit Agreement”) among the Company, the several Banks from time to time party thereto, and Wachovia Bank, National Association, as administrative agent and Issuing Bank (the “Agent”); that certain Subsidiary Guaranty dated as of January 19, 2007 (the “Subsidiary Guaranty”) given by Cypresswood Investments, L.P. and 73 Medical Building, LLC (the “Guarantors”, and together with the Company, the “Credit Parties”) to the Agent and the transactions contemplated thereby.

This opinion is being delivered pursuant to Section 5.1(b)(vi) of the Credit Agreement. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings accorded such terms in the Credit Agreement.

In rendering this opinion, we have reviewed the following documents:

- (1) the Credit Agreement;
- (2) the Subsidiary Guaranty; and
- (3) each of the Notes.

The documents referenced in (1) through (3) above are collectively referred to herein as the “Loan Documents.”

In rendering the opinions expressed below, we have examined the Loan Documents and originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives of the Credit Parties, and have made such inquiries of such officers and representatives, as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

In making the examinations described above, we have assumed the genuineness of all signatures (other than the signatures of the Credit Parties), the capacity of natural persons, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified or photostatic copies and the authenticity of the originals of such documents. We have also assumed the due authorization, execution and delivery of the Loan Documents by all parties thereto (other than the Credit Parties) and the binding effect of such documents on such parties.

We have also examined originals or copies of the organizational documents, the resolutions of the board of trustees or other managing entity, and certificates of public officials concerning the legal existence, qualifications to do business as a foreign entity or good standing of (i) the Company (which organizational documents include the Declaration of Trust and the Bylaws) and (ii) each Guarantor (which organizational documents include the Certificate of Formation, Articles of Incorporation or Agreement of Limited Partnership or Operating Agreement, as applicable).

Based upon the foregoing and subject to the qualifications stated herein, we are of the opinion that:

1. The Company is a real estate investment trust duly organized, validly existing and in good standing under the laws of the State of Maryland, and has the requisite power and authority under the law of such State to own its properties and conduct its business as now conducted or as presently contemplated and is duly authorized to do business, and is in good standing as a foreign business entity, in each jurisdiction in which its property or business as presently conducted or contemplated makes such qualification necessary, except where a failure to be so qualified could not reasonably be expected to have a Material Adverse Effect.
2. Each of the Guarantors is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the requisite power and authority under the law of such State to conduct its business as now conducted or as presently contemplated and is duly authorized to do business, and is in good standing as a foreign business entity, in each jurisdiction in which its property or business as presently conducted or contemplated makes such qualification necessary, except where a failure to be so qualified could not reasonably be expected to have a Material Adverse Effect.
3. The execution, delivery and performance of the Loan Documents and the transactions contemplated thereby (i) are within the authority of the Credit Parties and have been duly authorized by all necessary proceedings, (ii) do not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which any Credit Party is subject or, to our knowledge after due inquiry, any judgment, order, writ, injunction, license or permit applicable to any Credit Party, (iii) do not conflict with or violate any provision of the Declaration of Trust, articles of incorporation, articles of formation, By-Laws or other organizational governing documents, as applicable, of any Credit Party or violate, conflict with or cause an event of default under any agreement or instrument known to us to which such Credit Party is a party or by which it may be bound and (iv) do not result in or require the creation or imposition of any Lien upon or with respect to the Credit Parties.
4. The agreements and obligations of the Credit Parties contained in the Loan Documents to which each Credit Party is a party constitute the legal, valid and binding obligations of such Credit Party enforceable against such Credit Party in accordance with the terms and provisions thereof, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.
5. The execution, delivery and performance by the Credit Parties of the Loan Documents and the transactions contemplated thereby do not require any approval or consent of, or filing or registration or qualification with, any governmental agency, authority or third party.

6. To the best of my knowledge, the Company is not in violation of any provision of its Declaration of Trust, or its By-Laws, any agreement or instrument to which it may be subject or by which it or any of its properties may be bound, or any decree, order, judgment, statute, license, rule or regulation, including without limitation, as it relates to the Company, the provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder governing real estate investment trusts, in a manner which could result in the imposition of substantial penalties or materially and adversely affect the business, assets or financial condition of the Company.

7. No Credit Party is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

8. To the best of my knowledge, there are no actions, suits, proceedings or investigations of any kind pending or threatened against any Credit Party before any court, tribunal or administrative agency or board which, if adversely determined, might, in either case or in the aggregate, materially adversely affect the properties, assets, financial condition or business of such Credit Party or materially impair the right of such Credit Party to carry on business substantially as now conducted or result in any substantial liability not adequately covered by insurance or for which adequate reserves are not maintained on the balance sheets of such Credit Party or which question the validity of any of the Loan Documents or any actions taken or to be taken pursuant thereto.

For purposes of expressing the opinions set forth herein, we have examined Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended, the laws of the Commonwealth of Pennsylvania and, to the extent applicable, the federal laws of the United States of America. To the extent the Loan Documents purport to be governed by the laws of the State of North Carolina, we have assumed, with your permission, that the laws of the State of North Carolina are identical in all respects to the laws of the Commonwealth of Pennsylvania.

By rendering my opinions, we do not undertake to advise you of any changes in law or facts which may occur after the date hereof.

This letter is furnished only to the Agent and the Banks and is solely for their benefit in connection with the transactions contemplated by the Loan Documents; provided, however, our opinion may be relied upon by any Purchasing Bank who becomes a Bank under the Credit Agreement in compliance with Section 11.13(c) of the Credit Agreement. This opinion is not to be used, circulated, quoted or otherwise relied upon by any other person or entity or, for any other purpose, without our prior written consent.

Sincerely yours,

Bruce R. Gilbert
General Counsel

UNIVERSAL HEALTH REALTY INCOME TRUST

SOLVENCY CERTIFICATE

Reference is made to that Credit Agreement dated as of January __, 2007 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”) among UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the “Company”), the banks and financial institutions from time to time parties thereto (the “Banks”) and Wachovia Bank, National Association, as Agent. All capitalized terms used herein and not defined shall have the meanings provided in the Credit Agreement.

1. The undersigned certifies that he has made such investigation and inquiries as to the financial condition of the Company and its Subsidiaries as he deems necessary and prudent for the purpose of providing this Certificate. The undersigned acknowledges that the Agent and the Banks are relying on the truth and accuracy of this Certificate in connection with the making of Loans under the Credit Agreement.

2. The undersigned certifies that the financial information, projections and assumptions which underlie and form the basis for the representations made in this Certificate were reasonable when made and were made in good faith and continue to be reasonable as of the date hereof.

BASED ON AND SUBJECT TO THE FOREGOING and specifically upon such investigation and inquiries and otherwise to his knowledge, the undersigned certifies that, as of the date hereof, both before and after giving effect to the Loans:

A. The Company and its Subsidiaries taken as a whole are able to pay their debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business.

B. Neither the Company nor its Subsidiaries intend to, or believe that they will, incur debts or liabilities beyond the ability of the Company and its Subsidiaries taken as a whole to pay as such debts and liabilities mature in their ordinary course.

C. Neither the Company nor its Subsidiaries are engaged in any business or transaction, or are about to engage in any business or transaction, for which the assets of the Company and its Subsidiaries taken as a whole would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which the Company and its Subsidiaries are engaged or are to engage.

D. The present fair saleable value of the consolidated assets of the Company and its Subsidiaries taken as a whole is not less than the amount that will be required to pay the probable liability on the debts of the Company and its Subsidiaries taken as a whole as they become absolute and matured.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this ____ day of January, 2007, in his capacity as the chief financial officer of the Company.

UNIVERSAL HEALTH REALTY INCOME
TRUST

By: _____
Name: Charles Boyle
Title: Chief Financial Officer

FORM OF
PATRIOT ACT COMPLIANCE CERTIFICATE

TO: Wachovia Bank, National Association, as Administrative Agent

RE: Credit Agreement, dated as of January __, 2007 (as amended, restated or otherwise modified, the "Credit Agreement"; capitalized terms used herein and not defined shall have the meanings provided in the Credit Agreement), by and among UNIVERSAL HEALTH REALTY INCOME TRUST, a real estate investment trust organized under the laws of Maryland (the "Company"), the Banks party thereto and Wachovia Bank, National Association, as administrative agent for the Banks (in such capacity, the "Agent").

DATE: January __, 2007

I, _____, hereby certify that I am the duly elected, qualified and acting _____ of the Company and am authorized to execute this certificate on behalf of the Company. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

Solely in my capacity as _____ of the Company, I hereby certify on behalf of the Company that attached hereto on Exhibit A is true and complete information, as requested by the Agent, on behalf of the Banks, for compliance with the USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (the "Patriot Act"), including, without limitation, the legal name and address of the Company and the Guarantors and other information that will allow the Agent or any Bank, as applicable, to identify the Company and the Guarantors in accordance with the Patriot Act.

[Signature on Following Page]

IN WITNESS WHEREOF, I have hereunto set my hand this __ day of January, 2007.

UNIVERSAL HEALTH REALTY INCOME TRUST

By: _____
Name:
Title:

Exhibit A

Legal Name of the Company:	
State of Incorporation:	
Address of Chief Executive Office:	
Address of Principal Place of Business:	

Legal Name of the Guarantors:	
States of Incorporation:	
Address of Chief Executive Offices:	
Address of Principal Places of Business:	

UNIVERSAL HEALTH REALTY INCOME TRUST

COMPLIANCE CERTIFICATE

This Certificate is delivered in accordance with the provisions of Section 7.3(d) of that Credit Agreement, dated as of January __, 2007 (as amended, modified and supplemented, the "Credit Agreement") among Universal Health Realty Income Trust, a real estate investment trust organized under the laws of Maryland (the "Company"), the Banks identified therein, and Wachovia Bank, National Association, as administrative agent (the "Agent"). Terms used but not otherwise defined herein shall have the same meanings provided in the Credit Agreement.

I, the undersigned, being the Vice President, Treasurer and Secretary of the Company, hereby certify, in my official capacity and not in my individual capacity, that to the best of my knowledge and belief:

(a) the financial statements fairly present the financial condition of the parties covered by such financial statements in all material respects;

(b) during the period the Company has observed or performed all of its covenants and other agreements in all material respects, and satisfied in all material respects every material condition, contained in the Credit Agreement to be observed, performed or satisfied by it;

(c) the undersigned has no actual knowledge of any Default or Event of Default except as specified in the attached; and

(d) attached hereto are detailed calculations demonstrating compliance with the financial covenants set out in Sections 7.5, 7.6, 7.7 and 7.8 of the Credit Agreement.

This the __ day of _____ 2007.

UNIVERSAL HEALTH REALTY INCOME TRUST

By: _____
Name: Cheryl K. Ramagano
Title: Vice President, Treasurer and Secretary

[FORM OF]
COMMITMENT TRANSFER SUPPLEMENT

This Commitment Transfer Supplement (the “Commitment Transfer Supplement”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the] [each] Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees] hereunder are several and not joint.]¹ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Commitment Transfer Supplement as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s] [the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Commitment Transfer Supplement, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of *identify Lender*]

3. Borrower: Universal Health Realty Income Trust, a real estate investment trust organized under the laws of Maryland.

4. Administrative Agent: Wachovia Bank, National Association, as the administrative agent under the Credit Agreement.

¹ Include bracketed language if there are either multiple Assignors or multiple Assignees.

5. Credit Agreement: The Credit Agreement dated as of January __, 2007 among Universal Health Realty Income Trust, a real estate investment trust organized under the laws of Maryland, the Banks identified therein, and Wachovia Bank, National Association, as Administrative Agent.

6. Assigned Interest [s]:

<u>Assignor[s]</u>	<u>Assignee[s]</u>	<u>Facility Assigned</u>	<u>Aggregate Amount of Commitment/ Loans for all Lenders</u>	<u>Amount of Commitment/ Loans Assigned</u>	<u>Percentage Assigned of Commitment/ Loans</u>	<u>CUSIP Number</u>
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

[7. Trade Date: _____]²

Effective Date: _____, 20__.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

² To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Commitment Transfer Supplement are hereby agreed to:

ASSIGNOR[S]
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]
[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and] Accepted:

WACHOVIA BANK, NATIONAL ASSOCIATION, as
Administrative Agent

By: _____
Title:

[Consented to:]

UNIVERSAL HEALTH REALTY INCOME TRUST,
a real estate investment trust organized under the laws of Maryland

By _____
Title:

STANDARD TERMS AND CONDITIONS FOR
COMMITMENT TRANSFER SUPPLEMENT

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the] [such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Commitment Transfer Supplement and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Credit Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Credit Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Credit Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Commitment Transfer Supplement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 11.13(b) and (c) of the Credit Agreement (subject to such consents, if any, as may be required under Section 11.13(c) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Bank thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 7.3 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Commitment Transfer Supplement and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Commitment Transfer Supplement and to purchase [the][such] Assigned Interest, and (vii) if it is a Bank that is not a United States Person, attached to the Commitment Transfer Supplement is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Commitment Transfer Supplement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Commitment Transfer Supplement may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Commitment Transfer Supplement by telecopy shall be effective as delivery of a manually executed counterpart of this Commitment Transfer Supplement. This Commitment Transfer Supplement shall be governed by, and construed in accordance with, the law of the State of North Carolina.

Schedule 1.1

EXISTING LETTERS OF CREDIT

<u>Issuance Number</u>	<u>Sub#</u>	<u>Amount</u>	<u>Beneficiary</u>	<u>Issue Date</u>	<u>Expiration Date</u>
SM 211343	554	\$ 1,304,226.00	National Bank of Arizona	12/15/2004	5/23/2007
SM 211995	562	\$ 113,550.00	The Lincoln National Life Insurance Company c/o Delaware Investment Advisers	1/25/2005	5/23/2007
SM 211997	570	\$ 500,000.00	The Lincoln National Life Insurance Company c/o Delaware Investment Advisers	1/25/2005	5/23/2007
SM 212408	588	\$ 220,000.00	The Lincoln National Life Insurance Company c/o Delaware Investment Advisers	2/23/2005	2/23/2007
SM 216047	604	\$ 901,200.00	The Lincoln National Life Insurance Company c/o Delaware Investment Advisers	9/28/2005	5/23/2007
SM 221019	612	\$ 5,390,000.00	National Bank of Arizona	7/20/2006	5/23/2007
SM 221020	620	\$ 5,962,000.00	National Bank of Arizona	7/20/2006	5/23/2007
SM 221630	638	\$ 3,904,000.00	National Bank of Arizona	8/25/2006	5/23/2007

Schedule 2.1(a)

BANKS; COMMITMENTS;
COMMITMENT PERCENTAGES

<u>Lender</u>	<u>Revolving Committed Amount</u>	<u>Revolving Commitment Percentage</u>	<u>LOC Committed Amount</u>	<u>LOC Commitment Percentage</u>
Wachovia Bank, National Association	\$ 20,000,000	20.0000000000%	\$ 10,000,000	20.0000000000%
Bank of America, N.A.	\$ 17,500,000	17.5000000000%	\$ 8,750,000	17.5000000000%
JPMorgan Chase Bank, N.A.	\$ 16,250,000	16.2500000000%	\$ 8,125,000	16.2500000000%
SunTrust Bank	\$ 16,250,000	16.2500000000%	\$ 8,125,000	16.2500000000%
ABN AMRO Bank N.V.	\$ 15,000,000	15.0000000000%	\$ 7,500,000	15.0000000000%
PNC Bank, National Association	\$ 10,000,000	10.0000000000%	\$ 5,000,000	10.0000000000%
Calyon New York Branch	\$ 5,000,000	5.0000000000%	\$ 2,500,000	5.0000000000%
Total:	\$100,000,000.00	100%	\$50,000,000.00	100%

Schedule 2.1(a)

BANKS; COMMITMENTS;
COMMITMENT PERCENTAGES

<u>Lender</u>	<u>Revolving Committed Amount</u>	<u>Revolving Commitment Percentage</u>	<u>LOC Committed Amount</u>	<u>LOC Commitment Percentage</u>
Wachovia Bank, National Association	\$ 20,000,000	20.0000000000%	\$ 10,000,000	20.0000000000%
Bank of America, N.A.	\$ 17,500,000	17.5000000000%	\$ 8,750,000	17.5000000000%
JPMorgan Chase Bank, N.A.	\$ 16,250,000	16.2500000000%	\$ 8,125,000	16.2500000000%
SunTrust Bank	\$ 16,250,000	16.2500000000%	\$ 8,125,000	16.2500000000%
ABN AMRO Bank N.V.	\$ 15,000,000	15.0000000000%	\$ 7,500,000	15.0000000000%
PNC Bank, National Association	\$ 10,000,000	10.0000000000%	\$ 5,000,000	10.0000000000%
Calyon New York Branch	\$ 5,000,000	5.0000000000%	\$ 2,500,000	5.0000000000%
Total:	\$100,000,000.00	100%	\$50,000,000.00	100%

SUBSIDIARIES*

73 Medical Building, LLC, a Connecticut Limited Liability Company

Cypresswood Investment, L.P., a Georgia Limited Partnership

* Sheffield Properties, L.L.C. was administratively dissolved in 2005. This entity is in the process of being re-qualified to do business in Georgia and once this process is completed, Sheffield Properties, L.L.C. will be considered a Significant Subsidiary.

Schedule 4.2(b).

Capital Structure

Number of common shares of beneficial interest issued and outstanding, \$.01 par value, as of October 31, 2006: 11,789,076

Number of common shares of beneficial interest authorized, \$.01 par value: 95,000,000

Number of preferred shares of beneficial interest issued and outstanding, \$.01 par value: 0

Number of preferred shares of beneficial interest authorized, \$.01 par value: 5,000,000

Schedule 4.6

TITLE TO PROPERTIES; LEASES

None

ENVIRONMENTAL MATTERS

None

MATERIAL CONTRACTS

Advisory Agreement between Universal Health Realty Income Trust
and UHS of Delaware, Inc. which is annually renewable.

Schedule 4.26

INSURANCE

See attached.

UNIVERSAL HEALTH REALTY INCOME TRUST
PROOF OF INSURANCE AT JANUARY 17, 2007

	Type of F#	Type of Insurance	Property Limit Policy Holder	Policy Eff. Dates	Insurance Carrier	Policy #s
SOUTHERN CRESCENT I 81 Upper Riverside Riverdale, GA	MOB	Replacement Cost Property	\$ 7,951,427	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
SOUTHERN CRESCENT II 83 upper Riverside Riverdale, GA	MOB	Replacement Cost Property	5,176,535	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
ORTHOPAEDICS SPECIALISTS OF NEVADA 701 S. Tonopah Drive Las Vegas, NV	MOB	Replacement Cost Property	2,089,650	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
KELSEY SEYBOLD CLINIC 2755 W. Lake Houston Kingwood, TX	MOB	Replacement Cost Property	2,547,547	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
PROFESSIONAL BUILDING Building 1	MOB	Replacement Cost Property	1,987,724	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
Building 2	MOB	Replacement Cost Property	1,352,111	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
2815 W. Lake Houston Kingwood, TX						
CYPRESSWOOD Building 1	MOB	Replacement Cost Property	4,549,933	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
Building 2	MOB	Replacement Cost Property	1,529,893	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
8111 Cypresswood Spring, TX						
FRESNO HERDNON BUILDING 7055 N. Fresno Street Fresno, CA	MOB	Replacement Cost Property	8,998,409 No Property Coverage on this Cert	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
73 MEDICAL BUILDING 73 Sandpitt Road Danoury, CT	MOB	Replacement Cost Property	7,240,792	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
SHEFIELD MEDICAL OFFICE BUILDING 1938 Piedmont Atlanta, GA	MOB	Replacement Cost Property	<u>15,286,948</u>	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942
SUBTOTAL Firemand Fund POLICY			<u>\$56,709,968.00</u>			
Liability coverage on Firemand Fund properties	Ea. Occur. Liability	1,000,000	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942	
	Genl. Aggre. Liability	2,000,000	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942	
	Umbrella	9,000,000	4/10/06-07	Fireman's Fund	\$ 90 MXX 80856942	
Per discussion with Ron Lamm of DiBuduo & DeFendis, we have Business interruption built into the policy. We are covered for actual loss sustained, with no financial dollar limit, and we are covered for up to a 12 month period. Building property damages insurances stated above are sublimits only. Losses will be reimbursed at actual loss sustained.						
Suburban Properties, LLC	MOB	Property	14,000,000	11/14/06-11/14/07	Lexington Ins. Co.et al	1115680
		Ea. Occur. Liability	10,000,000	11/14/06-11/14/07	Lexington Ins. Co.et al	1115680
		Genl. Aggre. Liability	2,000,000	11/14/06-11/14/07	Lexington Ins. Co.et al	1115680
HealthSouth /Tri-State	Rehab	Property	50,000,000	11/30/06-11/30/07	United States Fire Ins Co 2441888081, Continental Casualty Co RMP2068246186, Lexington Ins Co 7478273, RSUI Indemnity NHD349590, American Guarantee Ins Co XPP937760803, Axis Speciality Ins Co RAS729840-08, Arch Speciality Ins Co ESP0019030-00	
Professional/General Liab	Ea. Occur. Liability	1,000,000	1/1/07-1/1/08	Columbia Casualty	HAZ2047957285-5	
	Genl. Aggre. Liability	3,000,000	1/1/07-1/1/08	Columbia Casualty	HAZ2047957285-5	
Kindred Hospital Chicago Central	Acute	Property	17,900,000	12/1/06-12/1/2007	Lexington Insurance Company	7605392
		Ea. Occur. Liability	3,000,000	1/1/06-1/1/07	National Union Fire &	5835931 liability. 5835745 auto (MA), 5838743 (AOS)
		Aggregate Liability	3,000,000	1/1/06-1/1/07	American Home Assurance Co. et al	CIC 2007-1, 2920828 CA WC, 2920827 FL WC. 2920826 OR WC. 2920825 IL, LA, MI, TN, WC. 2920830 (AOS), 2920828 CO, CT, IN, ME, MO, PA, TX, UT, WI, WC.

	Type of Insurance	Property Limit Policy Holder	Policy Eff. Dates	Insurance Carrier	Policy #s
UHS Properties (Inland Valley, Wellington, McAllan, and Bridgeway)	Acute/Pay	All Risk Coverage al Replacement Cost -Inland Valley 28,971,721 -Chalm & DeLaRonde 77,380,214 -McAllen Med Ctr. 222,808,493 -Bridgeway 13,530,233 Comm General Liability 3,000,000	4/1/06-4/1/07 1/1/07-1/1/08	Ascot et al Self-Insurance	RKS106900757A&B et al
Nobel Learning Communities, Inc. (Child Care Centers \$706,707,709 & 713)	Child Care Property	141,337,728	4/1/06-4/1/07	Phila. Ind. Ins. Co. & Federal Ins. Co. (Chubb) 71716322	PHPK162668 & 71716322
	Ea. Occur. Liability	1,000,000	4/1/06-4/1/07	Phila. Ind. Ins. Co. & Federal Ins. Co. (Chubb) 71716322	PHPK162668 & 71716322
	Genl. Aggre. Liability	3,000,000	4/1/06-4/1/07	Phila. Ind. Ins. Co. & Federal Ins. Co. (Chubb) 71716322	PHPK162668 & 71716322
	Business Interruption				
Highland Family Doctors Building	MOB	Property All Risk 3,765,103	9/1/05-9/1/06	Underwriters at Lloyds et al	Request sent 1/17/07 to Sandy Mooney, is working on it. Says it usually takes 5-10 days.
Christus Schumpert Medical Office Building		Ea. Occur. Liability 3,000,000	7/1/06-7/1/07	Emerald Assurance Cayman, LTD	EAC004P-01 & EAC004X-01
Shreveport, LA		Genl. Aggre. Liability 3,000,000	7/1/06-7/1/07	Emerald Assurance Cayman, LTD	EAC004P-01 & EAC004X-01
Brunswick Associates, LLC	MOB	Property 13,168,400	11/1/06-11/1/07	Hartford Casualty Ins. Co.	01 SBQ AR4628, 01 XHQ WZ3889
		Ea. Occur. Liability 1,000,000	11/1/06-11/1/07	Hartford Casualty Ins. Co.	01 SBQ AR4628, 01 XHQ WZ3889
		Genl. Aggre. Liability 2,000,000	11/1/06-11/1/07	Hartford Casualty Ins. Co.	01 SBQ AR4628, 01 XHQ WZ3889
Send e-mail to Sandy Mooney 1/17/07 5-10 business day. Will try to expedite cc: Cheryl Ramagano					

EVIDENCE OF PROPERTY INSURANCE		ISSUE DATE (MM/DD/YY) 1/18/07		
THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.				
PRODUCER ALLIANT INSURANCE SERVICES, INC. P.O. BOX 6450 NEWPORT BEACH, CA 92658-6450 PH (949) 756-0271 / FAX (949) 756-2713 CODE SUB-CODE		COMPANY SEE ATTACHED SCHEDULE OF INSURERS		
INSURED UNIVERSAL HEALTH SERVICES, INC. 367 SOUTH GULPH ROAD KING OF PRUSSIA, PA 19406		LOAN NUMBER	POLICY NUMBER SEE ATTACHED	
		EFFECTIVE DATE (MM/DD/YY) 04/01/06	EXPIRATION DATE (MM/DD/YY) 04/01/07	CONT UNTIL TERMINATED IF CHECKED <input type="checkbox"/>
		THIS REPLACES PRIOR EVIDENCE DATED:		
PROPERTY INFORMATION LOCATION/DESCRIPTION RE: SOUTHWEST HEALTHCARE SYSTEM – INLAND VALLEY CAMPUS, 36486 INLAND VALLEY DRIVE, WILDOMAR, CA - \$32,000,000 (AS OF 1/18/07). WELLINGTON REGIONAL MEDICAL CENTER, 10111 FOREST HILL BLVD., WEST PALM BEACH, FL 33414 - \$37,800,000 (AS OF 1/18/07). SOUTH TEXAS HEALTH SYSTEM – MCALLEN MEDICAL CENTER, 301 WEST EXPRESSWAY 83, MCALLEN, TX 78503-3045-\$82,193,050 (AS OF 1/18/07). THE BRIDGEWAY, 21 BRIDGEWAY ROAD, NORTH LITTLE ROCK, AR 72113-9514 - \$7,355,816 (AS OF 1/18/07). CERTIFICATE AMENDED TO ADD WELLINGTON, UPDATE PROPERTY VALUES, AND TO DELETE CHALMETTE. THIS CERTIFICATE REPLACES CERTIFICATE ISSUED 5/3/06 FOR THE PROPERTY LISTED ABOVE.				
COVERAGE INFORMATION		COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
ALL RISK OF DIRECT PHYSICAL LOSS OR DAMAGE TO REAL PROPERTY, PERSONAL PROPERTY AND BUSINESS INTERRUPTION. INCLUDES COVERAGE FOR EARTHQUAKE, FLOOD AND WINDSTORM SUBJECT TO SUBLIMITS BOILER & MACHINERY VALUATION: REPAIR OR REPLACEMENT COST VALUATION FOR REAL OR PERSONAL PROPERTY: ACTUAL LOSS SUSTAINED FOR BUSINESS INTERRUPTION SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS		\$ 250,000,000 LIMIT PER OCCURRENCE	SEE BELOW*	
		\$ 100,000,000 LIMIT PER OCCURRENCE		
		REMARKS (INCLUDING SPECIAL CONDITIONS) *DEDUCTIBLES \$ 250,000 ALL RISK PER OCCURRENCE \$ 50,000 TRANSIT PER OCCURRENCE \$ 500,000 EARTHQUAKE PER OCCURRENCE (OUTSIDE CA, AK, HI, WA, PR & NEW MADRID ZONE 2) \$ 250,000 BOILER AND MACHINERY	WINDSTORM - 5% PER LOCATION SUBJECT TO A MINIMUM OF \$1,000,000 EARTHQUAKE - (IN CA, AK, HI, WA, PR, OREGON & NEW MADRID AREAS) - 5% PER UNIT OF INSURANCE SUBJECT TO A MINIMUM OF \$1,000,000 FLOOD (ZONES A & V) - 5% PER LOCATION SUBJECT TO A MINIMUM OF \$1,000,000 24 HOUR - WAITING PERIOD FOR OFF PREMISES SERVICE INTERRUPTION	
CANCELLATION THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL ENDEAVOR TO GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW <u>30 DAYS</u> WRITTEN NOTICE, AND WILL ENDEAVOR TO SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW. SUBJECT TO 10 DAYS NOTICE OF CANCELLATION FOR NON-PAYMENT OF PREMIUM.				
ADDITIONAL INTEREST NAME AND ADDRESS WACHOVIA BANK, NATIONAL ASSOCIATION AS AGENT FOR THE BANKS CHARLOTTE PLAZA, CP-23 201 S, COLLEGE STREET CHARLOTTE, NC 28288-0680		NATURE OF INTEREST <input type="checkbox"/> MORTGAGEE <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> ADDITIONAL INSURED <input checked="" type="checkbox"/> (OTHER) EVIDENCE ONLY		
		SIGNATURE OF AUTHORIZED AGENT OF COMPANY /s/ Mary M. Wells		

UNIVERSAL HEALTH SERVICES, INC.

SCHEDULE OF INSURANCE COMPANIES

Policies Incepting APRIL 1, 2006 to APRIL 1, 2007

<u>Company</u>	<u>A.M. Best's Guide Rating as of 6/15/06</u>	<u>Standard & Poors Rating as of 6/15/06</u>	<u>Moody's Rating as of 6/8/06</u>	<u>Policy No.</u>
56% of Primary \$25,000,000 All Risk Property Coverage Including Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Ascot Underwriting Ltd. – Lloyds Syndicate 1414	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Managing Agency Partners Ltd. – Lloyds Syndicate 2791	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Beazley Furlonge Ltd. – Lloyds Syndicate 623 / 2623	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Beaufort Underwriting Agency Ltd. – Lloyds Syndicate 318	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Amlin Underwriting Ltd. – Lloyds Syndicate 2001	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	A1; STA (Stable)	RKS106900757A
Everest National Insurance Company	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	AA-	Not Rated	RKS106900757A
United States Fire Ins. Co. (Crum & Forster)	A-, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000	BBB	Baa3; STA (Stable)	2441891538
44% of Primary \$50,000,000 All Risk Property Coverage Including Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Lexington Insurance Company	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	AA+	Not Rated	RKS106900757C
Industrial Risk Insurers (4/1/06 to 05/15/06)	A, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000	A	Not Rated	31371178
Allied World Assurance Company	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000	Not Rated	Not Rated	AW1179892
Liberty Mutual Insurance Company	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	A2; STA (Stable)	YS2-L9L-441121-016

UNIVERSAL HEALTH SERVICES, INC.

SCHEDULE OF INSURANCE COMPANIES

Policies Incepting APRIL 1, 2006 to APRIL 1, 2007

<u>Company</u>	<u>A.M. Best's Guide Rating as of 6/15/06</u>	<u>Standard & Poors Rating as of 6/15/06</u>	<u>Moody's Rating as of 6/8/06</u>	<u>Policy No.</u>
56% of \$25,000,000 Excess \$25,000,000 All Risk Property Coverage Including Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Ascot Underwriting Ltd. – Lloyds Syndicate 1414	A+s, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Managing Agency Partners Ltd. – Lloyds Syndicate 2791	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Canopus Managing Agents Ltd. – Lloyds Syndicate 4444	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Limit Underwriting Ltd. – Lloyds Syndicate 2999	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Talbot Underwriting Limited – Lloyds Syndicate 1183	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Amlin Underwriting Ltd. – Lloyds Syndicate 2001	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	A1; STA (Stable)	RKS106900757B
Beazley Furlonge Ltd. – Lloyds Syndicate 623 / 2623	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Brit Syndicates Ltd. – Lloyds Syndicate 2987	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Axis Specialty Europe Ltd.	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Commonwealth Insurance Co.	A-, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000	Not Rated	Not Rated	US6194
Great American Assurance Company	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000	A	A3; STA (Stable)	CPP 9252418

UNIVERSAL HEALTH SERVICES, INC.

SCHEDULE OF INSURANCE COMPANIES

Policies Incepting APRIL 1, 2006 to APRIL 1, 2007

<u>Company</u>	<u>A.M. Best's Guide Rating as of 6/15/06</u>	<u>Standard & Poors Rating as of 6/15/06</u>	<u>Moody's Rating as of 6/8/06</u>	<u>Policy No.</u>
\$ 50,000,000 Excess \$50,000,000 All Risk Property Coverage Excluding Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Commonwealth Insurance Co.	A-, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000	Not Rated	Not Rated	US6195
Axis Surplus Insurance Co.	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	EAF725837-06
Hospital All Risk Property Program (HARPP)	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	AA+	Not Rated	RKS105900606-0408
\$150,000,000 Excess \$100,000,000 All Risk Property Coverage Excluding Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Affiliated FM Insurance Company	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	BBBpi	Not Rated	TF863
BOILER & MACHINERY COVERAGE WHERE PURCHASED & WHERE LIMITS APPLY				
\$100,000,000 Boiler & Machinery Coverage				
Continental Casualty Company	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A-	A3; STA (Stable)	RKS105900606

* *Analyzing insurers' over-all performance & financial strength is a task that requires specialized skills & in-depth technical understanding of all aspects of insurance company finances & operations. Insurance brokerages such as Driver Alliant Insurance Services, Inc. typically rely upon rating agencies for this type of market analysis. Both A.M. Best & Standard & Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative & qualitative analysis of the information available in formulating their ratings.*

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty & International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard & Poor's website at www.insure.com/ratings/profiles/. To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov.

EVIDENCE OF PROPERTY INSURANCE		ISSUE DATE (MM/DD/YY) 1/18/07	
THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.			
PRODUCER ALLIANT INSURANCE SERVICES, INC. P.O. BOX 6450 NEWPORT BEACH, CA 92658-6450 PH (949) 756-0271 / FAX (949) 756-2713 CODE SUB-CODE		COMPANY SEE ATTACHED SCHEDULE OF INSURERS	
INSURED UNIVERSAL HEALTH SERVICES, INC. 367 SOUTH GULPH ROAD KING OF PRUSSIA, PA 19406		LOAN NUMBER	POLICY NUMBER SEE ATTACHED
		EFFECTIVE DATE (MM/DD/YY) 04/01/06	EXPIRATION DATE (MM/DD/YY) 04/01/07
		CONT. UNTIL TERMINATED IF CHECKED <input type="checkbox"/>	
THIS REPLACES PRIOR EVIDENCE DATED.			
PROPERTY INFORMATION LOCATION / DESCRIPTION RE: SOUTHWEST HEALTHCARE SYSTEM – INLAND VALLEY CAMPUS, 36486 INLAND VALLEY DRIVE, WILDOMAR, CA - \$32,000,000 (AS OF 1/18/07). WELLINGTON REGIONAL MEDICAL CENTER, 10111 FOREST HILL BLVD., WEST PALM BEACH, FL 33414 - \$37,800,000 (AS OF 1/18/07). SOUTH TEXAS HEALTH SYSTEM – MCALLEN MEDICAL CENTER, 301 WEST EXPRESSWAY 83, MCALLEN, TX 78503-3045-\$82,193,050 (AS OF 1/18/07). THE BRIDGEWAY, 21 BRIDGEWAY ROAD, NORTH LITTLE ROCK, AR 72113-9514-\$7,355,816 (AS OF 1/18/07). CERTIFICATE AMENDED TO ADD WELLINGTON, UPDATE PROPERTY VALUES, AND TO DELETE CHALMETTE. THIS CERTIFICATE REPLACES CERTIFICATE ISSUED 5/3/06 FOR THE PROPERTY LISTED ABOVE.			
COVERAGE INFORMATION		AMOUNT OF INSURANCE	DEDUCTIBLE
COVERAGE / PERILS / FORMS			
ALL RISK OF DIRECT PHYSICAL LOSS OR DAMAGE TO REAL PROPERTY, PERSONAL PROPERTY AND BUSINESS INTERRUPTION. INCLUDES COVERAGE FOR EARTHQUAKE, FLOOD AND WINDSTORM SUBJECT TO SUBLIMITS BOILER & MACHINERY VALUATION: REPAIR OR REPLACEMENT COST VALUATION FOR REAL OR PERSONAL PROPERTY; ACTUAL LOSS SUSTAINED FOR BUSINESS INTERRUPTION SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS		\$ 250,000,000 LIMIT PER OCCURRENCE \$ 100,000,000 LIMIT PER OCCURRENCE	SEE BELOW*
REMARKS (INCLUDING SPECIAL CONDITIONS) *DEDUCTIBLES \$ 250,000 ALL RISK PER OCCURRENCE \$ 50,000 TRANSIT PER OCCURRENCE \$ 500,000 EARTHQUAKE PER OCCURRENCE (OUTSIDE CA, AK, HI, WA, PR & NEW MADRID ZONE 2) \$ 250,000 BOILER AND MACHINERY		WINDSTROM - 5% PER LOCATION SUBJECT TO A MINIMUM OF \$1,000,000 EARTHQUAKE - (IN CA, AK, HI, WA, PR, OREGON & NEW MADRID AREAS) - 5% PER UNIT OF INSURANCE SUBJECT TO A MINIMUM OF \$1,000,000 FLOOD (ZONES A & V) - 5% PER LOCATION SUBJECT TO A MINIMUM OF \$1,000,000 24 HOUR - WAITING PERIOD FOR OFF PREMISES SERVICE INTERRUPTION	
CANCELLATION THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL ENDEAVOR TO GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL ENDEAVOR TO SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW. SUBJECT TO 10 DAYS NOTICE OF CANCELLATION FOR NON-PAYMENT OF PREMIUM.			
ADDITIONAL INTEREST NAME AND ADDRESS WACHOVIA BANK NATIONAL ASSOCIATION AS AGENT FOR THE BANKS CHARLOTTE PLAZA, CP-23 201 S. COLLEGE STREET CHARLOTTE, NC 28288-0680		NATURE OF INTEREST <input type="checkbox"/> MORTGAGEE <input type="checkbox"/> LOSS PAYEE <input type="checkbox"/> ADDITIONAL INSURED <input checked="" type="checkbox"/> (OTHER) EVIDENCE ONLY SIGNATURE OF AUTHORIZED AGENT OF COMPANY /S/ Mary M. Wells	

UNIVERSAL HEALTH SERVICES, INC.
SCHEDULE OF INSURANCE COMPANIES
Policies Incepting APRIL 1, 2006 to APRIL 1, 2007

<u>Company</u>	<u>A.M. Best's Guide Rating as of 6/15/06</u>	<u>Standard & Poors Rating as of 6/15/06</u>	<u>Moody's Rating as of 6/8/06</u>	<u>Policy No.</u>
56% of Primary \$25,000,000 All Risk Property Coverage Including Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Ascot Underwriting Ltd. — Lloyds Syndicate 1414	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Managing Agency Partners Ltd. — Lloyds Syndicate 2791	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Beazley Furlonge Ltd. — Lloyds Syndicates 623/2623	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Beaufort Underwriting Agency Ltd. — Lloyds Syndicate 318	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757A
Amlin Underwriting Agency Ltd. — Llyods Syndicate 2001	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	A1; STA (Stable)	RKS106900757A
Everest National Insurance Company	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	AA-	Not Rated	RKS106900757A
United States Fire Ins. Co. (Crum & Forster)	A-, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000	BBB	Baa3; STA (Stable)	2441891538
44% of Primary \$50,000,000 All Risk Property Coverage Including Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Lexington Insurance Company	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	AA+	Not Rated	RKS106900757C
Industrial Risk Insurers (4/1/06 to 05/15/06)	A, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000	A	Not Rated	31371178
Allied World Assurance Company	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000	Not Rated	Not Rated	AW1179892
Liberty Mutual Insurance Company	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	A2; STA (Stable)	YS2-L9L-441121-016

UNIVERSAL HEALTH SERVICES, INC.
SCHEDULE OF INSURANCE COMPANIES
Policies Incepting APRIL 1, 2006 to APRIL 1, 2007

<u>Company</u>	<u>A.M. Best's Guide Rating as of 6/15/06</u>	<u>Standard & Poors Rating as of 6/15/06</u>	<u>Moody's Rating as of 6/8/06</u>	<u>Policy No.</u>
56% of \$25,000,000 Excess \$25,000,000 All Risk Property Coverage Including Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Ascol Underwriting Ltd. — Lloyds Syndicate 1414	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Managing Agency Partners Ltd. — Lloyds Syndicate 2791	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Canopus Managing Agents Ltd. — Lloyds Syndicate 4444	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Limit Underwriting Ltd. — Lloyds Syndicate 2999	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Talbot Underwriting Limited — Lloyds Syndicate 1183	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Amlin Underwriting Ltd. — Lloyds Syndicate 2001	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	A1; STA (Stable)	RKS106900757B
Beazley Furlonge Ltd. — Lloyds Syndicates 623/2623	A s, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Brit Syndicates Ltd. — Lloyds Syndicate 2987	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Axis Specialty Europe Ltd.	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	RKS106900757B
Commonwealth Insurance Co.	A-, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000	Not Rated	Not Rated	US6194
Great American Assurance Company	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000	A	A3; STA (Stable)	CPP 9252418

UNIVERSAL HEALTH SERVICES, INC.
SCHEDULE OF INSURANCE COMPANIES
Policies Incepting APRIL 1, 2006 to APRIL 1, 2007

<u>Company</u>	<u>A.M. Best's Guide Rating as of 6/15/06</u>	<u>Standard & Poors Rating as of 6/15/06</u>	<u>Moody's Rating as of 6/8/06</u>	<u>Policy No.</u>
\$50,000,000 Excess \$50,000,000 All Risk Property Coverage Excluding Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Commonwealth Insurance Co.	A-, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000	Not Rated	Not Rated	US6195
Axis Surplus Insurance Co.	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A	Not Rated	EAF725837-06
Hospital All Risk Property Program (HARPP)	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	AA+	Not Rated	RKS105900606-0408
\$150,000,000 Excess \$100,000,000 All Risk Property Coverage Excluding Earthquake, Flood, & Named Storm Where Coverage Purchased & Limits Apply				
Affiliated FM Insurance Company	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000	BBBpi	Not Rated	TF863

BOILER & MACHINERY COVERAGE WHERE PURCHASED & WHERE LIMITS APPLY

\$100,000,000 Boiler & Machinery Coverage				
Continental Casualty Company	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000	A-	A3; STA (Stable)	RKS105900606

* *Analyzing insurers' over-all performance & financial strength is a task that requires specialized skills & in-depth technical understanding of all aspects of insurance company finances & operations. Insurance brokerages such as Driver Alliant Insurance Services, Inc. typically rely upon rating agencies for this type of market analysis. Both A.M. Best & Standard & Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative & qualitative analysis of the information available in formulating their ratings.*

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty & International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard & Poor's website at www.insure.com/ratings/profiles/. To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov.

SUMMARY OF INSURANCE
For: Ensemble Real Estate Services
2425 East Camelback Rd #390
Phoenix, AZ 85016 602-954-2228

Prepared: 06/21/06
Milne & BNC Insurance Services
1750 East Glendale Avenue
Phoenix, AZ 85020-5505 602-395-9111

Coverage	Amount	Company	Policy No	Eff	Exp
Property		Federal Insurance Company	35780294	06/06/06	06/01/07
Premises 001					
BUILDING	329,094,000				
Valuation					
Cause of Loss					
Deductible					
Forms #					
BI/EE	44,638,000				
Deductible					
Forms #					
CONTENTS	945,000				
Valuation					
Cause of Loss					
Deductible					
Additional Coverages, Options, Restrictions, Endorsements, and Rating Information					
Signs-incl in form. Blr & Mchnr (Systems)/Blanket Ordinance or Law Included. See spreadsheet for stmt of values. Water perils of surface water, basement water, sewer backup-sublimit \$1,000,000 w/\$50 ded. Incl TRIA					
General Liability		Federal Insurance Company	35780294	06/01/06	06/01/07
Occurrence					
General Aggregate	2,000,000				
Products/Completed Oper. Aggr.	Included				
Personal & Advertising Injury	1,000,000				
Each Occurrence	1,000,000				
Damage to Rented Premises	1,000,000				
Medical Expense (Any One Person)	excluded				
Employee Benefits	1,000,000				
Per Occurrence					
Property Damage Deductible	10,000				
Bodily Injury Deductible	10,000				
Additional Coverages, Options, Restrictions, Endorsements, and Rating Information					
Per Location Aggregate. Employee Benefits Liability \$1000000/1000000 250 Employees. Blkt Waiver of Subro included					
Crime		Federal Insurance Company	35780294	06/01/06	06/01/07
Employee Dishonesty	500,000				
Deductible	2,500				
Blanket					
Forgery or Alteration	500,000				
Deductible	2,500				
Erisa	300,000				
Deductible	0				
Total	250,000				
Valuable Papers		Federal Insurance Company	35780294	06/01/06	06/01/07
Your Premises	200,000				

Minimum Underlying Limits Required:

(Actual Limits Scheduled per Member may be higher as outlined on the schedule of underlying per Certificate of Participation)

<u>Type of Policy or Coverage</u>	<u>Limits</u>
GENERAL LIABILITY AND PRODUCTS COMPLETED OPERATIONS	\$1,000,000 EACH OCCURRENCE \$2,000,000 GENERAL AGGREGATE (PER LOCATION) \$1,000,000 PRODUCTS/COMPLETED OPERATIONS AGGREGATE DEFENSE COSTS ARE IN ADDITION TO THE LIMIT AND DO NOT ERODE THE LIMIT OR AGGREGATE LIMIT
AUTOMOBILE LIABILITY	\$1,000,000 EACH ACCIDENT (CSL) DEFENSE COSTS ARE IN ADDITION TO THE LIMIT AND DO NOT ERODE THE LIMIT OR AGGREGATE LIMIT
QUOR LEGAL LIABILITY	\$1,000,000 EACH OCCURRENCE \$1,000,000 EACH AGGREGATE DEFENSE COSTS ARE IN ADDITION TO THE LIMIT AND DO NOT ERODE THE LIMIT OR AGGREGATE LIMIT
EMPLOYEE BENEFITS LIABILITY	\$1,000,000 PER OCCURRENCE \$1,000,000 POLICY AGGREGATE DEFENSE COSTS ARE IN ADDITION TO THE LIMIT AND DO NOT ERODE THE LIMIT OR AGGREGATE LIMIT
EMPLOYERS LIABILITY * (here not otherwise unlimited)	\$500,000 EACH ACCIDENT \$500,000 DISEASE EACH EMPLOYEE \$500,000 POLICY LIMIT DEFENSE COSTS ARE IN ADDITION TO THE LIMIT AND DO NOT ERODE THE LIMIT OR AGGREGATE LIMIT

Minimum Employers Liability Requirement for West Virginia, Ohio and Texas is \$1,000,000

ONDO/COOP/HOA/PUD & O LIABILITY	\$1,000,000 EACH CLAIM \$1,000,000 AGGREGATE DEFENSE TREATMENT FOLLOWS THE TERMS OF THE PRIMARY D&O POLICY
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IMPORTANT:

- Underlying Defense Costs must be in Addition to the Limits of Insurance with respect to all coverages except for Directors and Officers Liability.
- Scheduling of Sub-limits is not acceptable.
- Acceptable Underlying Carriers: A-VII or better (minimum A.M. Best requirement) and AIG Approved State Funds For EL coverage, as per Section XIII of the signed Program Guidelines.

Terms & Conditions:

- 1) Premium Payment due within terms outlined by signed Program Guidelines.
- 2) Primary carriers must be rated A-VII or better by A.M. Best.

Subject To: PRIMARY GL TERMS & CONDITIONS

<u>Attachments:</u>		<u>Form Number:</u>
1.	Miscellaneous Changes Endorsement	86231
2.	Primo Schedule A-Approved Crisis Mgmt. Firms	83687
3.	Declarations Page Limit amendment (per certificate)	Manuscript
4.	Commercial General Liability Limitation Endorsement	87043
5.	Act of Terrorism Retained Limit Endorsement — \$1,000,000 SIR	83049
6.	Amendment to Definition of Insured — RPG Endorsement	Manuscript
7.	Member Policy Period Limitation Endorsement	Manuscript
8.	Limits of Insurance for Policy Term Endorsement	Manuscript
9.	Risk Purchasing Group Member Aggregate Limit endorsement	Manuscript
10.	Cross Suits Exclusion — Risk Purchasing Group Endorsement	Manuscript
11.	Economic or Trade Sanctions Condition Endorsement	87068
12.	Violation of Communication or Information Law Exclusion Endorsement	87241
13.	Automobile Liability Follow Form	80398
14.	Uninsured / Underinsured Motorist Coverage Form	82610 (6/05)
15.	Non-Concurrence Endorsement	81581
16.	Fungus Exclusion	82449
17.	Lead Exclusion	86471
18.	Foreign Liability Exclusion	80431
19.	Marine Liability Exclusion	80445
20.	Professional Liability Exclusion	83093
21.	Construction Excluded Operations Exclusion (Construction Operation, EIFS and Wrap-Ups, Demolition)	Manuscript
22.	Condominium/Co-Operative Directors and Officers Liability Limitation endorsement	Manuscript
23.	Employee Benefits Liability Limitation Endorsement	Manuscript
24.	Employers Liability / Stop Gap Limitation Endorsement	87216
25.	Employer Liability Exclusion endorsement (unlimited states)	89462
26.	Physical Abuse, Sexual Abuse or Molestation Endorsement	Manuscript
27.	Specified Operations Exclusion Endorsement — Adult or Child Daycare Services when performed by or on behalf of the Insured to third parties for a fee. Exception for Children’s Daycare services at a Hotel/Motel — Construction Companies performing services by or on behalf of the Insured to third parties for a fee. — Security Guard Services, when performed by or on behalf of the Insured to third parties for a fee. — Schools — Religious Organizations or Institutions — Casinos	
28.	Knowledge of Occurrence Endorsement	Manuscript
29.	Therapeutic or Cosmetic Services Limitation	Manuscript
30.	Water Sports Exclusion	Manuscript

* Physical and Sexual abuse endorsement is amended to provide coverage for minors in the care custody and control of the insured — capped at \$5,000,000 defense inside (though underlying must maintain \$1m/\$2m minimum — defense outside.) This coverage grant applies to Hotel / Motel operations only.

Additional Exclusions: DIRECTORS & OFFICERS LIABILITY EXCLUSION
 BIOLOGICAL AGENTS EXCLUSION

You are hereby notified that under the federal Terrorism Risk Insurance Act of 2002 (the “Act”) effective November 26, 2002, you now have a right to purchase insurance coverage for losses arising out of the Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property or (C) Infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of the U.S. mission and (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. You should read the Act for a complete description of its coverage. The Secretary’s decision to certify or not to certify an event as an Act of Terrorism and thus covered by this law is final and not subject to review. There is a \$100 billion dollar annual cap on all losses resulting from Acts of Terrorism above which no coverage will be provided under this policy and under the Act unless Congress makes some other determination.

For your information, coverage provided under this proposal for losses caused by an Act of Terrorism may be partially reimbursed by the United States under a formal established by the Act. Under this formula the United States pays 90% of terrorism losses covered by this law exceeding a statutorily established deductible that must be met by the insurer, and which deductible is based on percentage of the insurer’s direct earned premiums for the year preceding the Act of Terrorism.

The coverage offered includes a premium charge for Terrorism of 1% that is included in the total premium above.

The Hospitality & Leisure Insurance Services, Inc. is a not-for-profit corporation for which one of its purposes is the purchasing of liability insurance on a group basis on behalf of its group participants. The Purchasing Group and its participants constitute a purchasing group pursuant to the Federal Liability Risk Retention Amendments of 1986. This Certificate of Participation identifies those group liability policies issued to the Purchasing Group that are applicable to the participants identified above. All obligations under the group policy are solely those of the insurance company that issued them. Neither the Purchasing Group nor Hospitality & Leisure Insurance Services, Inc., the Purchasing Group broker, have any obligations in respect to the coverage described herein. The terms and conditions of insurance under the policies identified in this Certificate of Participation are contained solely in the Group Master Policy issued to the Purchasing Group, copies of which may be viewed at the premises of Genatt Associates, Inc., 3333 New Hyde Park Road, New Hyde Park, NY 11042.

BINDING IS SUBJECT TO PRIMARY TERMS AND CONDITIONS ACCEPTABLE TO PROGRAM PARAMETERS.

The terms and conditions of this binder may differ from what you requested in your submission. Please review carefully.

If you should have any questions with regard to the above, please do not hesitate to contact our office.

Very truly yours,
HOSPITALITY & LEISURE INSURANCE
[GRAPHIC APPEARS HERE]
Kathy Damon
Vice President

KD:lk
Encl.

cc: file

Ensemble Real Estate Services
Property Insurance Information
January 2007

NOTE: Schedule is based on rental square footage. Gross square footage could be greater.

Entity/Building	Rental Sq Ft.	Construction/Alarm/Year	Occupants/# of stories/ Emergency Lighting	# of Elevators/# of Exits for Egress/Security	Building	Contents	BI/EE	Liability	Other
ARIZONA LOCATIONS									
ApaMed Properties, LLC									
Apache Junction Oncology Center-Bldg A (MOB) 2080 W. Southern Avenue Apache Junction, AZ 85220	6,800	Reinforced CMU Sprinklered 2002	Medical Office 1 Emergency Lighting in Tenant Suites	No Elevator Tenant Exits Only No Security	\$1,020,000	\$0	\$168,000	Yes	
Apache Junction Oncology Center-Bldg C (MOB) 2080 W. Southern Avenue Apache Junction, AZ 85220	6,066	Reinforced CMU Sprinklered 2000	Medical Office 1 Emergency Lighting in Tenant Suites	No Elevator Tenant Exits Only No Security	\$810,000	\$0	\$161,000	Yes	
Apache Junction Medical Plaza-Bldg B (MOB) 2080 W. Southern Avenue Apache Junction, AZ 85220	14,035	Reinforced CMU Sprinklered 2001	Medical Office 1 Emergency Lighting in Tenant Suites	No Elevator Tenant Exists Only No Security	\$2,105,000	\$0	\$340,000	Yes	
Deerval Properties, LLC									
JCL-Deer Valley Medical Office 19636 N. 27th Avenue Phoenix, AZ 85027	77,264	Structure Steel Sprinklered 2002	Medical Office 4 + Basement Emergency Lighting	3 Elevators 9 Exits Unarmed Contract	\$11,961,000	\$25,000	\$2,000,000	Yes	

Entity /Building	Rental Sq Ft.	Construction/Alarm/Year	Occupants/# of Stories/ Emergency Lighting	# of Elevators/# of Exits for Egress/Security	Building	Contents	BJ/EE	Liability	Other
DSMB Properties, LLC									
Desert Samaritan 1 Med. Bldg. (MOB) 1450 S. Dobson Rd. Mesa, AZ 85202	74,688	Reinforced CMU Sprinklered/Fire Alarm 1977	Medical Office 3 Emergency Lighting	4 Elevators 5 Exits Unarmed Contract	\$9,765,000	\$10,000	\$1,842,000	Yes	
Desert Samaritan 2 Med. Bldg. (MOB) 1500 S. Dobson Rd. Mesa, AZ 85202	64,128	Reinforced CMU Partial Sprinklered/Fire Alarm 1980	Medical Office 3 Emergency Lighting	2 Elevators 2 Exits Unarmed Contract	\$7,410,000	\$5,000	\$1,299,000	Yes	
Desert Samaritan 3 Med. Bldg. (MOB) 1520 S. Dobson Rd. Mesa, AZ 85202	177,512	Reinforced CMU Fire Alarm 1986	Medical Office 2 Office/2 Pariding Emergency Lighting	4 Elevators 5 Exits Unarmed Contract	\$15,760,000	\$5,000	\$2,103,000	Yes	
DVMC Properties, LLC									
Desert Valley Medical Plaza (MOB) 4045 East Bell Road Phoenix, AZ 85032	53,625	Reinforced CMU Sprinklered/Fire Alarm 1983	Medical Office 2 No Emergency Lighting	No Elevator Tenant Exits Only Unarmed Patrol	\$8,584,000	\$10,000	\$1,110,000	Yes	
Higley Medical Properties, LLC									
Vacant Land SW Corner of Southern Ave & Higley Gilbert, AZ	0	1.7 acres of Vacant Land	NA NA NA	NA NA NA	\$0	\$0	\$0	Yes	Liability Coverage Only Land Maid for Future Development

Entity/Building	Rental Sq Ft.	Construction/Alarm/Year	Occupants /# of Stories/ Emergency Lighting	# of Elevators/of Exits for Egress/Security	Building	Contents	BI/EE	Liability	Other
Litchvan Investments, LLC									
Papago Medical Park 1331 N. 7th St, Phoenix, AZ 85006	79,251	Steal Beam Sprinklered 1989	Medical Office 4 Emergency Lighting	3 Elevators 4 Exits Unarmed Contract	\$12,424,000	\$5,000	\$1,744,000	Yes	
Attached Garage to Papago Medical Park 1331 N. 7th St, Phoenix, AZ 85006	130,000	Pre Cast Concrete Fire Resistive 1989	Garage 4 Emergency Lighting in Stairwells	No Elevator 2 Exits Unarmed Contract	\$2,488,000	\$0	\$0	Yes	
Paseo Medical Properties II, LLC									
Thunderbird Paseo Med, Plaza (MOB) 5601 W. Eugie Avenue Glendale, AZ 85304	58,332	Reinforced CMU Sprinklered 1995	Medical Office 2 Emergency Lighting	2 Elevators 7 Exits Unarmed Contract	\$9,208,000	\$15,000	\$1,655,000	Yes	
Thunderbird Paseo Phase II (MOB) 5605 W. Eugie Avenue Glendale, AZ 85304	38,237	Reinforced Masonry & Steel Sprinklered 2001	Medical Office 2 Emergency Lighting	2 Elevators 6 Exits Unarmed Contract	\$6,391,000	\$15,000	\$1,076,000	Yes	
PCH Medical Properties, LLC									
PCH-Rosenberg Children's Medical Plaza 1920 E. Cambridge AveBuilding E Phoenix, AZ 85006	71,003	Structure Steel Sprinklered 2003	Medical Office 3 Emergency Lighting	2 Elevators 4 Exits Unarmed Contract	\$12,229,000	\$10,000	\$1,734,000		
PCH Southern Properties, LLC									
Vacant Land SW Corner of Southern Ave & Higley Gilbert, AZ	0	3.3 acres of Vacant Land	NA NA NA	NA NA NA	\$0	\$0	\$0	Yes	Liability Coverage Only Land Held for Future Development
Santa Fe Scottsdale, LLC									
Santa Fe Professional Plaza (MOB) 9755 N. 90th Street Scottsdale, AZ 85258	25,294	Adobe & Block Sprinklered 1985	Medical Office 2 Emergency Lighting in Tenant Suites	1 Elevator 3 Exits No Security	\$3,813,000	\$5,000	\$682,000	Yes	
Willetta Medical Properties, LLC									
Edwards Medical Building (MOB) 1300 N. 12th Street Phoenix, AZ 85006	141,194	Reinforced CMU Sprinklered 1984	Medical Office 4 Office/2 Pariding Emergency Lighting	5 Elevators 6 Exits Unarmed Contract	\$26,788,000	\$10,000	\$2,818,000	Yes	

Entity/Building	Rental Sq Ft.	Construction/Alarm/Year	Occupants/# of Stories /Emergency Lighting	# of Elevators/# of Exits for Egress/Security	Building	Contents	BI/EE	Liability	Other
CALIFORNIA LOCATIONS									
575 Hardy Investors, LLC									
Centinela Medical Buildings I 501 E, Hardy Street Inglewood, CA 90301	63,601	Structural Street Sprinklered 1978	Medical Office 4 Emergency Lighting	3 Elevators 2 Exists Unarmed Contract	\$10,541,000	\$5,000	\$1,532,000	Yes	
Centinela Medical Buildings II 575 E, Hardy Street Inglewood, CA 90301	39,297	Structural Steel Partial Sprinklered 1972	Medical Office 3 Emergency Lighting	2 Elevators 2 Exists Unarmed Contract	\$6,518,000	\$5,000	\$945,000	Yes	
Sierra Medical Propertis, LLC									
Sierra San Antonio Medical Plaza 16465 Sierra Lakes Parkway Fontana, CA 92336	60,000	Concrete Tilt-up Panels & Steel Sprinklered 2005	Medical Office 3 Emergency Lighting	2 Elevators 4 Exists Unarmed Contract	\$10,487,000	\$25,000	\$1,007,000	Yes	Currently in Development Estimated Completion 4/06
NEVADA LOCATIONS									
653 Town Center Investments, LLC									
Summerlin Medical Center I (MOB) 653 Town Center Drive Las Vegas, NV 89144	88,900	EIFS over Structural Steel Sprinklered 1996	Medical Office 7 Emergency Lighting	3 Elevators 4 Exits Unarmed Contract	\$15,443,000	\$25,000	\$2,298,000	Yes	
653 Town Center Phase II, LLC									
Summerlin Medical Center II (MOB) 653 Town Center Drive Las Vegas, NV 89144	92,313	EIFS over Structural Steel Sprinklered 2000	Medical Office 6 Emergency Lighting	2 Elevators 5 Exits Unarmed Contract	\$16,036,000	\$5,000	\$2,197,000	Yes	
DesMed, LLC									
Desert Springs Medical Building (MOB) 4275 Burnham Las Vegas, NV 89119	106,830	Steel Sprinklered/Fire/Alarm 1996	Medical Office 3 Emergency Lighting	2 Elevators 3 Exits Unarmed Contract	\$17,463,000	\$5,000	\$2,419,000	Yes	

Entity/Building	Rental Sq Ft.	Construction/Alarm/Year	Occupants/# of Stories/ Emergency Lighting	# of Elevators/# of Exits for Egress/Security	Building	Contents	BI/EE	Liability	Other
Gold Shadow Properties, LLC									
2010 Goldring Building 2010 Goldring Las Vegas, NV 89106	34,785	Block Sprinklered 1991	Medical Office 3 Emergency Lighting	2 Elevators 3 Exits Unarmed Contract	\$13,411,000	\$0	\$1,378,000	Yes	
2020 Goldring Building 2020 Goldring Las Vegas, NV 89106	55,425	Block Sprinklered 1991	Medical Office 5 Emergency Lighting	3 Elevators 4 Exits Unarmed Contract	Included with 2010 Building				
700 Shadow Lane Building 700 Shadow Lane Las Vegas, NV 89106	41,042	Block Sprinklered 1989	Medical Office 4 Emergency Lighting	2 Elevators 5 Exits Unarmed Contract	\$6,099,000	\$0	\$810,000	Yes	
Spring Valley Medical Properties, LLC									
Spring Valley Medical Office Building 1 5380 S. Rainbow Las Vegas, NV 89218	57,828	Metal Studs on steel frame Sprinkle red 2003	Medical Office 3 Emergency Lighting	2 Elevators 5 Exits Unarmed Contract	\$10,043,000	\$0	\$1,396,000	Yes	
Arlington Medical Properties, LLC									
Saint Mary's Center for Health 645 N. Arlington Ave Reno, NV 89503	195,500	Structural Steel Frame w/Metal Stud Exterior Walls with Insulated finished system Sprinkle red Swimming Pool in Wellness Center 2003-2005	Medical Office 6 Emergency Lighting	6 Elevators 5 Exits Unarmed Contract	\$34,762,000	\$50,000	\$4,518,000	Yes	

INDEBTEDNESS

\$4,515,000 Mortgage loan between People's Bank and
73 Medical Building, L.L.C., a Connecticut limited liability company.

LIENS

\$4,515,000 Mortgage loan between People's Bank and
73 Medical Building, L.L.C., a Connecticut limited liability company.

EXISTING INVESTMENTS

As of December 31, 2006, the Company has investments or commitments in forty-five facilities located in fifteen states consisting of the following:

<u>Facility Name</u>	<u>Location</u>	<u>Type of Facility</u>	<u>Ownership</u>	<u>Guarantor</u>
Southwest Healthcare System, Inland Valley Campus(A)	Wildomar, CA	Acute Care	100%	Universal Health Services, Inc.
McAllen Medical Center(A)	McAllen, TX	Acute Care	100%	Universal Health Services, Inc.
The Bridgeway(A)	N.Little Rock, AR	Behavioral Health	100%	Universal Health Services, Inc.
Wellington Regional Medical Center(A)	W. Palm Beach, FL	Acute Care	100%	Universal Health Services, Inc.
Kindred Hospital Chicago Central(B)	Chicago, IL	Sub-Acute Care	100%	Kindred Healthcare, Inc.
Tri-State Regional Rehabilitation Hospital(E)	Evansville, IN	Rehabilitation	100%	HealthSouth Corporation
Fresno-Herndon Medical Plaza(B)	Fresno, CA	MOB	100%	—
Family Doctor's Medical Office Bldg.(B)	Shreveport, LA	MOB	100%	HCA Inc.
Kelsey-Seybold Clinic at Kings Crossing(B)	Kingwood, TX	MOB	100%	St. Lukes Episcopal Health Sys.
Professional Bldgs. at Kings Crossing(B)	Kingwood, TX	MOB	100%	—
Chesterbrook Academy(B)	Audubon, PA	Preschool & Childcare	100%	Nobel Learning Comm. & Subs.
Chesterbrook Academy(B)	New Britain, PA	Preschool & Childcare	100%	Nobel Learning Comm. & Subs.
Chesterbrook Academy(B)	Newtown, PA	Preschool & Childcare	100%	Nobel Learning Comm. & Subs.
Chesterbrook Academy(B)	Uwchlan, PA	Preschool & Childcare	100%	Nobel Learning Comm. & Subs.
Southern Crescent Center(B)	Riverdale, GA	MOB	100%	—
Desert Samaritan Hospital MOBs(C)	Mesa, AZ	MOB	76%	—
Suburban Medical Plaza II(C)	Louisville, KY	MOB	33%	—
Desert Valley Medical Center(C,K)	Phoenix, AZ	MOB	90%	—
Thunderbird Paseo Medical Plaza I & II(C)	Glendale, AZ	MOB	75%	—
Cypresswood Professional Center(B)	Spring, TX	MOB	100%	—
Papago Medical Park(C)	Phoenix, AZ	MOB	89%	—
Edwards Medical Plaza(C,K)	Phoenix, AZ	MOB	90%	—
Desert Springs Medical Plaza(P)	Las Vegas, NV	MOB	99%	Triad Hospitals, Inc.
Rio Rancho Medical Center(C)	Rio Rancho, NM	MOB	80%	—
Orthopaedic Specialists of Nevada Bldg.(B)	Las Vegas, NV	MOB	100%	—

Facility Name	Location	Type of Facility	Ownership	Guarantor
Santa Fe Professional Plaza(C,K)	Scottsdale, AZ	MOB	90%	—
Summerlin Hospital MOB(L,Q)	Las Vegas, NV	MOB	95%	—
Sheffield Medical Building (B)	Atlanta, GA	MOB	100%	—
Southern Crescent Center, II(B)	Riverdale, GA	MOB	100%	—
Centinela Medical Building Complex(C,K)	Inglewood, CA	MOB	90%	—
Summerlin Hospital MOB II(G)	Las Vegas, NV	MOB	98%	—
Medical Center of Western Connecticut(B)	Danbury, CT	MOB	100%	—
Mid Coast Hospital MOB(C)	Brunswick, ME	MOB	74%	—
Deer Valley Medical Office II(C)	Phoenix, AZ	MOB	90%	—
Rosenberg Children's Medical Plaza(C)	Phoenix, AZ	MOB	85%	—
700 Shadow Lane & Goldring MOBs(D)	Las Vegas, NV	MOB	98%	—
The St. Mary's Center for Health(F)	Reno, NV	MOB	75%	—
Apache Junction Medical Plaza(C)	Apache Junction, AZ	MOB	85%	—
Spring Valley Medical Office Building(D)	Las Vegas, NV	MOB	95%	—
Sierra San Antonio Medical Plaza(H)	Fontana, CA	MOB	95%	—
Spring Valley Medical Office Building II(I)	Las Vegas, NV	MOB	95%	—
Phoenix Children's East Valley Care Center(J)	Gilbert, AZ	MOB	95%	—
Centennial Medical Properties (M)	Las Vegas, NV	MOB	95%	—
Canyon Healthcare Properties (N)	Gilbert, AZ	MOB	95%	—
Palmdale Medical Properties (O)	Palmdale, CA	MOB	95%	—

NOTICE ADDRESSES FOR BANKS

Banks:

Credit Contact

**WACHOVIA BANK,
NATIONAL ASSOCIATION**

Wachovia Bank, National Association
PA 4152
One South Broad Street
Philadelphia, PA 19107
Attn: Jeanette A. Griffin, Private Portfolio Management
Telephone: (267) 321-6615
Facsimile: (267) 321-6700

BANK OF AMERICA, N.A.

Bank of America, N.A.
100 N. Tryon Street
Charlotte, NC 28255
Attn: Jill Hogan
Telephone: (704) 386-5045
Facsimile: (704) 388-6002

JPMORGAN CHASE BANK, N.A

JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, NY 10017
Attn: Dawn Lee Lum
Telephone: (212) 270-2472
Facsimile: (212) 270-3279

SUNTRUST BANK

SunTrust Bank
TN-Nash-1907
201 4th Avenue North
Nashville, TN 37219
Attn: William D. Priester
Telephone: (615) 748-5969
Facsimile: (615) 748-5269

Administrative Contact

Wachovia Bank, National Association,
201 South College Street, NC 0680
Charlotte, North Carolina 28244
Attn: Tina Thompson, Syndication Agency Services
Telephone: (704) 383-9904
Facsimile: (704) 383-0288

Bank of America, N.A.
2001 Clayton Road
Concord, CA 94520
Attn: Arthur K. Khoo
Telephone: (925) 675-8395
Facsimile: (888) 203-0618

JPMorgan Chase Bank, N.A.
1111 Fannin Street, Floor 10
Houston, TX 77002-6925
Attn: Claudia Correa
Telephone: (713) 750-2128
Facsimile: (713) 750-2782

SunTrust Bank
200 S. Orange Avenue
Orlando, FL 32801
Attn: Arnette Delaine
Telephone: (407) 237-2439
Facsimile: (404) 588-4400

PNC BANK, NATIONAL ASSOCIATION

PNC Bank, National Association
1600 Market Street
F2-F070-22-6
Philadelphia, PA 19103
Attn: Jeff DeLay
Telephone: (215) 585-5237
Facsimile: (215) 585-1222

PNC Bank, National Association
500 First Avenue
First Side Center
Pittsburgh, PA 15222
Attn: Anita Truchan
Telephone: (412) 762-2293
Facsimile: (412) 768-4586

ABN AMRO BANK N.V.

ABN AMRO Bank N.V.
135 South LaSalle Street, Suite 826
Chicago, IL 60603
Attn: Alison Dempsey
Telephone: (312) 992-3830
Facsimile: (312) 904-6457

ABN AMRO Bank N.V.
540 West Madison Street, Suite 2621
Chicago, IL 60661
Attn: Credit Administration, Connie Podgorny
Telephone:
Facsimile: (312) 992-5111

CALYON NEW YORK BRANCH

Calyon New York Branch
Healthcare Group
1301 Avenue of the Americas
New York, NY 10019
Attn: Thomas Randolph
Telephone: (212) 261-7431
Facsimile: (212) 261-3440

Calyon New York Branch
Client Banking Services
1301 Avenue of the Americas
New York, NY 10019
Attn: Mykelle Williams
Telephone: (212) 261-7636
Facsimile: (917) 849-5457

CERTIFICATION—Chief Executive Officer

I, Alan B. Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Health Realty Income Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2009

/s/ Alan B. Miller

President and Chief Executive Officer

CERTIFICATION—Chief Financial Officer

I, Charles F. Boyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Health Realty Income Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2009

/s/ Charles F. Boyle

Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Universal Health Realty Income Trust (the "Trust") on Form 10-Q for the quarter ended September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alan B. Miller, President and Chief Executive Officer of the Trust, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust at the end of, and for the period covered by, the Report.

/s/ Alan B. Miller

President and Chief Executive Officer

November 6, 2009

A signed original of this written statement required by Section 906 has been provided to the Trust and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Universal Health Realty Income Trust (the "Trust") on Form 10-Q for the quarter ended September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles F. Boyle, Vice President and Chief Financial Officer of the Trust, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust at the end of, and for the period covered by, the Report.

/s/ Charles F. Boyle

Vice President and Chief Financial Officer

November 6, 2009

A signed original of this written statement required by Section 906 has been provided to the Trust and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.